MEXICO

PROTECTION OF RIGHTS OF AMERICAN OWNERS OF OIL LANDS IN MEXICO[1]

812.6363/2473

The Ambassador in Mexico (Morrow) to the Secretary of State

No. 215 MEXICO, *December 30, 1927.*

[Received January 9, 1928.]

SIR: Referring to my despatch No. 198 of December 27, 1927,[2] reporting the introduction of a bill by the President of the Republic in the Mexican Congress for the amendment of articles 14 and 15 of the Petroleum Law now in force,[3] I have the honor to inform the Department that according to the local press on December 28 the Chamber of Deputies on December 27 passed the proposed legislation but with the following addition to the amended article 15:

"This term having passed, those rights shall be held as renounced and there shall have no effect whatever against the Federal Government the rights the confirmation of which may not have been requested."

This action was taken by the Chamber of Deputies by unanimous vote and under suspension of the rules.

The report of the Second Committee on Constitutional Points recommending the passage of the legislation is enclosed herewith in translation.[2]

Today, I am informed that after reconsideration by both houses of Congress, the bill was passed yesterday as originally introduced with the addition of the word "confirmatory" in describing the concessions stipulated in the introductory clause of Article 14 and with the sanction recommended by the Chamber of Deputies in Article 15. I enclose herewith a copy and translation of the bill as passed for submission to the President.

I have [etc.] DWIGHT W. MORROW

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[1] Continued from *Foreign Relations*, 1927, vol. III, pp. 176–209.

[2] Not printed.

[3] For text of the petroleum bill approved by the Chamber of Deputies, November 26, 1925, see *Foreign Relations*, 1925, vol. II, p. 531. For text of the petroleum law of December 26, 1925, see *Diario Oficial*, December 31, 1925.

[Enclosure—Translation]

Bill Amending Articles 14 and 15 of the Petroleum Law of December 26, 1925

SOLE ARTICLE. Articles 14 and 15 of the Law Regulating Article 27 of the Constitution [4] in the Petroleum Branch, dated December 26, 1925, are amended in the following terms:

ARTICLE 14. The following rights shall be confirmed without cost by means of the issuance of confirmatory concessions:

I. Those derived from lands upon which petroleum exploitation works were commenced prior to May 1, 1917;

II. Those derived from contracts entered into prior to May 1, 1917, by the owner of the surface or his representatives for petroleum exploitation purposes.

Confirmations of these rights shall be granted without limit of time when they must be made in favor of the owners of the surface; and according to the time stipulated in the contract in the case of rights from contracts entered into by owners of the surface or their representatives.

III. To the holders of pipe lines and refiners who may be working at present by virtue of concession or authorization issued by the Department of Industry, Commerce and Labor, and with reference to those same concessions or authorizations.

ARTICLE 15. A period of one year shall be given, counted from the day following the publication of these reforms to the same day, inclusive, of the following year, to solicit the confirmation of the rights to which the preceding article refers and which have not been the object of confirmatory petitions during the period primarily set in this article.

This term having expired, those rights shall be considered renounced, and rights the confirmation of which has not been solicited shall have no effect whatever against the Federal Government.

TRANSITORY ARTICLE. Confirmations solicited within the year 1926 and upon which the respective title has not been issued, shall be granted, if lawful, in accordance with these reforms. Confirmatory titles already issued shall likewise be rectified in accordance therewith.

812.6363/2475 : Telegram

The Ambassador in Mexico (Morrow) to the Secretary of State

MEXICO, *January 9, 1928—7 p. m.*
[Received January 10—7:05 a. m.]

16. We were advised that the President today signed the recent amendment to the petroleum act referred to in my despatch No. 215

[4] See *The Mexican Constitution of 1917 Compared With the Constitution of 1857* (Washington, Government Printing Office, 1926).

and that the form of the bill as signed is as quoted in that despatch. It is expected that the official text of the bill will be printed in the *Diario Oficial* tomorrow.

Pursuant to an arrangement made with the President and Secretary Morones the following communication was sent today by the Huasteca Company to the Secretary of Industry, Commerce and Labor:

"Citizen Secretary of Industry, Commerce and Labor: H. N. Branch, representing the Huasteca Petroleum Company, very respectfully comes before you to state: that with regard to the provision of article 14 of the law of December 26, 1925, recently amended, I have the honor to approach you on behalf of my principals to beg that you be so good as to advise me whether the request for confirmatory concessions by a foreign company implies any surrender of rights acquired prior to May 1, 1917. I proffer the assurances of my courteous consideration. Mexico, D. F., January 9, 1928."

To the foregoing communication the Secretary of Industry, Commerce and Labor sent the following answer:

"Mr. H. N. Branch, representative of the Huasteca Petroleum Company, City. In reply to your communication No. 11-28 of today I inform you as follows: The Federal Executive in compliance with the decision handed down by the Supreme Court of Justice in the *amparo* of the Mexican Petroleum Company [5] proposed to the honorable Congress the amendment of articles 14 and 15 of the petroleum law of December 26, 1925, and the study of this amendment belonged to the Second Committee on Constitutional Points of the Chamber of Deputies, which rendered to the Chamber a report that says in its fundamental part: 'The confirmation of a right is its express recognition in all its amplitude and with the conditions inherent therein so that no restriction whatever can be established in respect of the term or conditions imposed with relation to the rights that are confirmed, since any restriction in this respect implies a modification of the right confirmed and a retroactive application of the law, contrary to article 14 of the Constitution, since the rights confirmation of which is provided for in article 14 of the law, are prior to the date on which the fundamental law went into force.' [6]

Therefore, in view of the consideration which preceded the bill of amendment submitted by the Executive, this Department believes that the petition for confirmatory concession on the part of a national or foreign company does not imply the renunciation of rights acquired before May 1 of 1917, such confirmatory concession operating as the recognition of rights which will continue in force subject only to police regulations.

I repeat to you the assurances of my courteous consideration. Effective suffrage; no reelection. Mexico, D. F., January 9, 1928, the Secretary, signed L. Morones."

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[5] For the decision of November 17, 1927, see *Foreign Relations*, 1927, vol. III, p. 197.

[6] For the corrected text of this quoted sentence, see telegram No. 23, Jan. 12, 1928, noon, from the Chargé in Mexico, p. 295.

Mr. H. N. Branch of the Huasteca Company is preparing a printed book setting out in English the decision of the Supreme Court rendered on November 17, the President's message to Congress enclosed with my despatch No. 198, December 27,[7] the report of the Constitutional Committee [of] Congress, enclosed with my No. 215, December 30, the act itself and the correspondence given above. [Paraphrase.] I hope that the companies will await the full report from Branch before they make their decision . . . [End paraphrase.]

MORROW

812.6363/2478 : Telegram

The Chargé in Mexico (Schoenfeld) to the Secretary of State

MEXICO [*undated*].

[Received January 11, 1928—7:25 p. m.]

22. My telegram number 19 today.[7] *Diario Oficial* dated January 10, which appeared today, contains official promulgation of law amending articles 14 and 15 of petroleum law of December 26, 1925, in the precise terms of enclosure number 2, Embassy's despatch number 215, December 30 last. President signed the amending act January 3. Copies by the pouch.

SCHOENFELD

812.6363/2479 : Telegram

The Chargé in Mexico (Schoenfeld) to the Secretary of State

MEXICO, *January 12, 1928—noon.*

[Received 7:08 p. m.]

23. My telegram number 19, January 11, noon.[7] I am informed that the Minister of Industry has no objection to Department releasing for publication correspondence exchanged with Branch.

Meanwhile Branch received yesterday corrected text of letter from Department of Industry quoted in Ambassador's telegram mentioned[8] but this corrected version is signed by Eduardo Butron, Chief Clerk of the Department of Industry, "By order of the Secretary," Morones having left the city. The corrected quotation from the report of the Second Committee on Constitutional Points is as follows in translation:

"To confirm a right is to recognize it expressly in its whole extent and with the conditions inherent therein in such a way that no re-

[7] Not printed.
[8] Telegram No. 16, Jan. 9, 7 p. m., p. 293.

striction whatever can be established with regard to the extent or conditions of the right which is confirmed because any restriction in these particulars implies a modification of the right confirmed and a retroactive application of the law contrary to article 14 of the Constitution, since the rights, confirmation of which is ordered by article 14 of the petroleum law, are prior to the going into effect of our fundamental law."

[Paraphrase.] I have been informed by Branch that a district court in the Federal District recently rendered a decision in an *amparo* action brought by an oil company against the constitutionality of the petroleum law of December 26, 1925. This decision holds that the law is unconstitutional in certain articles in addition to articles 14 and 15. Branch will furnish me with the details of the decision very shortly. Branch suggests, and Clark concurs, that in giving publicity to the Branch-Morones correspondence as now revised that the Department would do well also to give publicity to the decision of the district court last above mentioned. Since the full particulars on this decision will be sent to the Department when available, it is suggested that publicity be deferred until the receipt of this information. [End paraphrase.]

SCHOENFELD

812.6363/2480 : Telegram

The Chargé in Mexico (Schoenfeld) to the Secretary of State

MEXICO, *January 12, 1928—2 p. m.*

[Received 7:30 p. m.]

24. [Paraphrase.] Reference my telegram No. 23, January 12, noon. The following is a memorandum which Branch gave me today in regard to the decision rendered on January 7 by the third supernumary district judge of the Federal District in granting *amparos* to the Huasteca, Mexican, Tuxpan and Tamiahua oil companies. [End paraphrase.]

"1. The decision of the district court in favor of the Huasteca, Mexican, Tuxpan and Tamiahua petroleum companies declares unconstitutional articles 2, 4, 14 and 15 of law of December 26, 1925.

2. The district court's decision not only refers to fee properties but also to leases in the case of the Huasteca (fee and leases) and Tuxpan and Tamiahua (leases exclusively).

3. The district court decision is based on the 'jurisprudence' of the Supreme Court in the group of five cases known generally as the Texas case.[11] As is known, this 'jurisprudence' establishes that

[11] See *Foreign Relations*, 1921, vol. II, pp. 461 ff.; *ibid.*, 1922, vol. II, pp. 680–681; and Estados Unidos Mexicanos, *Semanario Judicial de la Federacion* (México, Antigua Imprenta de Murguía, 1922), quinta época, tomo x, p. 1308.

article 27 of the Constitution in the matter of petroleum is not retroactive 'in spirit or in letter.' The district judge holds that inasmuch as this 'jurisprudence' is binding on him as a Federal judge that until such time as it may be modified by the Supreme Court it binds him in his decisions.

4. The effect of this district court decision is to place the properties of the four companies, both fee and leasehold, beyond the pale of articles 2, 4, 14 and 15 of the law of December 26, 1925."

SCHOENFELD

812.6363/2480 : Telegram

The Secretary of State to the Chargé in Mexico (Schoenfeld)

[Paraphrase]

WASHINGTON, *January 13, 1928—3 p. m.*

12. Your telegrams Nos. 23, January 12, noon, and 24, January 12, 2 p. m. The Department is giving a statement to the press based upon the above-mentioned telegrams.

KELLOGG

812.6363/2515

The Ambassador in Mexico (Morrow) to the Under Secretary of State (Olds)

MEXICO, *February 10, 1928.*

[Received February 20.]

DEAR MR. OLDS: Confirming our telephone conversation, I understand from representatives of the oil companies here that the companies in New York feel that while the untagged land [12] question is not important in itself to them, they have felt a moral obligation to make no settlement of their preconstitutional rights until the untagged land question is settled to the satisfaction of the State Department.

I understand that you will find an opportunity to make clear to representatives of the oil companies that so far as the State Department is concerned, it has no objection to the oil companies taking such action as they desire with reference to their preconstitutional rights. The State Department is, of course, entirely free to consider its interest in the question of untagged lands if and when a concrete case arises. Meanwhile Mr. Clark is making a careful review of

[12] Lands acquired in fee by American oil producers or other foreigners prior to May 1, 1917, but upon which no works of petroleum exploitation were begun prior to that date (file No. 812.6363/1672).

that whole question and expects to be able to render an opinion within a short time.

With kindest regards,

Very truly yours,

DWIGHT W. MORROW

(Inadvertently not signed by Mr. Morrow before his departure for the week-end.) [13]

812.6363/2524

The Ambassador in Mexico (Morrow) to the Secretary of State

No. 421 MEXICO, *March 6, 1928.*

[Received March 13.]

SIR: I have the honor herewith to enclose for the Department's confidential information a draft of proposed amendments [14] to the Regulations of the Mexican Petroleum Law necessitated by the amendment of the Law itself passed by the Mexican Congress in December, last, and published in the *Diario Oficial* of January 10, 1928.

These amended articles are the result of informal conferences held on behalf of myself by Mr. J. Reuben Clark, Jr., with Señor Paredes, of the Department of Industry acting on behalf of Señor Morones. I understand that Mr. Paredes will recommend the adoption of these amended Regulations to Señor Morones, Minister of Industry.

It will be recalled that an informal understanding existed between the Department of Industry and the petroleum companies with a view to a formal hearing of representatives of the latter. Two hearings were given the representatives of the companies. A draft of amended Regulations was submitted to the Department of Industry by the companies. It was considered unsatisfactory so far as the Department of Industry was concerned. In a personal way I was given by Señor Morones a copy of Regulations drafted in the Department of Industry which were on the point of promulgation about three weeks ago. Upon examination of this draft, it seemed to fail in some respects to meet the position of the Department of State in the diplomatic correspondence on the subject. I secured suspension of the publication of the Department of Industry's draft Regulations. Subsequently, I arranged for consultation between Mr. Clark on my behalf and Señor Paredes, on behalf of the Secretary of Industry, with the result, as above stated, that Señor Paredes has expressed conformity with the draft Regulations herewith enclosed.

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[13] Parenthetical remark in original.

[14] Draft amendments not printed.

Mr. Clark feels that these Regulations are drawn with strict regard to the terms of the amendments to the Petroleum Law promulgated January 10, 1928, and to the decision of the Supreme Court in the Mexican Petroleum Company case, dated November 17, 1927, as well as to the minutes of the negotiations between the American and the Mexican Commissioners in the summer of 1923.[15]

The language of the diplomatic correspondence exchanged between the two Governments on the subject has also been kept in mind.

I also enclose the text of the proposed transitory articles[16] in the Regulations of the Petroleum Law. These have been submitted to Señor Paredes today and the latter has indicated that he would recommend the amendment to Article 3 and the first amendment in Article 4 but that he did not see his way clear to recommend the amendment forming the last half of Article 4 or the amendment to Article 9.

I invite attention to the marginal comments in the draft Regulations, both permanent and transitory, as enclosed herewith. These marginal comments explain substantially the origin in each case of the changes made.

As the result of a conversation today between Secretary Morones, Mr. Clark and myself, it has been arranged that the Department of Industry will comment on the proposed amendments to the regulations, both permanent and transitory, and that we shall have an early meeting for the purpose of discussing the matter further.

I have [etc.] DWIGHT W. MORROW

812.6363/2536

The Ambassador in Mexico (Morrow) to the Secretary of State

No. 471 MEXICO, *March 27, 1928.*

[Received April 3.]

SIR: Confirming my telegram No. 90 of today's date, 5 P. M.,[16] reporting that I had addressed to the Mexican Minister of Industry, Commerce and Labor a letter setting forth my understanding of the purport of Article 152, amended, of the Regulations of the Mexican Petroleum Law, promulgated by Executive Decree today,[17] I have the honor to enclose for the Department's information a copy of that letter.

I have [etc.] DWIGHT W. MORROW

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[15] *Proceedings of the United States–Mexican Commission Convened in Mexico City, May 14, 1923* (Washington, Government Printing Office, 1925).

[16] Not printed.

[17] *Post*, p. 301.

[Enclosure]

The American Ambassador (Morrow) to the Mexican Minister of Industry, Commerce and Labor (Morones)

MEXICO, *March 27, 1928.*

MY DEAR MR. MINISTER: Referring to our recent oral discussions regarding the amended regulations of the Petroleum Law, my understanding is the same as yours:—that the final clause of the amended article 152 does not cover a mere abstract intention that has not been accompanied or evidenced by an act similar to those mentioned in the preceding part of the article.

I can not allow to pass this opportunity of telling you of my sincere appreciation of the spirit of fairness which has characterized the attitude of yourself and of the members of your staff in the informal discussions which have taken place regarding the amended regulations.

I am [etc.] DWIGHT W. MORROW

812.6363/2537

The Ambassador in Mexico (Morrow) to the Secretary of State

No. 474 MEXICO, *March 27, 1928.*

[Received April 3.]

SIR: Referring to previous correspondence regarding the amendment of the Regulations of the Mexican Petroleum Law, necessitated by the amendment of the Law itself, which was approved by the Mexican Congress in December, last, and published in the *Diario Oficial* of January 10, 1928, I have the honor to report that the Department of Industry today handed to the representatives of the local and foreign press the text of the Executive Decree signed by President Calles today containing the amendments in question, together with the form to be used in issuing confirmatory concessions on petroleum lands acquired prior to May 1, 1917. I enclose a single copy of the Spanish text of the decree in question as handed to the representatives of the press by the Department of Industry today. It is anticipated that this decree will appear in the *Diario Oficial* in the course of the next few days. Clippings from the *Diario Oficial* will be sent to the Department as soon as the decree appears in that publication.[19]

I also enclose an English translation of the amendments in question and of the proposed form of confirmatory concession.[20] This translation, which indicates the origin of the changes made in each case,

[19] Decree published in the *Diario Oficial*, March 28, 1928.
[20] Neither printed.

has been used by Mr. J. Reuben Clark, Jr. in his negotiations on my behalf with Señor Paredes, of the Department of Industry, acting on behalf of Minister Morones, and represents the substance of the amendments agreed on between them.

Finally, I enclose a copy of a statement handed to the press on my behalf today, in connection with the amended regulations.

I have [etc.] DWIGHT W. MORROW

[Enclosure 1—Translation]

Mexican Decree of March 27, 1928, Containing Amendments of the Petroleum Regulations Promulgated April 8, 1926 [21]

Plutarco Elias Calles, Constitutional President of the Mexican United States, to its inhabitants, know ye:

That in the use of the power conferred upon the Executive of the Union by *Fracción* I of Article 89 of the Constitution and of the power set forth in Article 22 of the Law of December 26, 1925, I have decided to issue the following modifications and additions to the corresponding regulations in accordance with the amendments of January 3 of this year of Articles 14 and 15 of the Law itself.

There are modified in the terms hereinafter expressed the respective articles:

ARTICLE 147. In conformity with the provisions of Article 15, amended, of the Law, private individuals or companies possessing rights referred to in Article 14 shall petition for confirmation before the respective Agency, according to its jurisdiction, or directly, before the Department of Industry, Commerce and Labor, within the period of one year, counted from January 11, 1928.

[ARTICLE 148. Confirmation of the concessions referred to in Article 12 of the law shall be effected through a concession executed in accordance with the provisions in these regulations, and the security that shall have been deposited under the former concession will be applicable to the same purpose in the new concession on the one condition that it was made in national gold.]

[ARTICLE 149. In accordance with the provisions in Article 12 of the law the concessions which may have been granted between the first of May, 1917, and the 31 of December, 1925, with power to explore and exploit land under Federal jurisdiction throughout the territory of the nation, or without exactly defining the area and

[21] Articles and portions of articles in brackets are existing regulations which were not in the decree signed by President Calles on March 27, 1928, but which were included in the translation transmitted by Ambassador Morrow.

For text of articles 147, 150, 152, 153, 154, 155, 156, and article 4 transitory, of the regulations of the petroleum law of December 26, 1925, prior to amendment, see *Diario Oficial*, April 8, 1926.

site on which such exploration and exploitation work is to be done, shall be exchanged for others drawn up in accordance with the terms that these regulations indicate in lands also under Federal jurisdiction, the area of which as a whole shall not exceed the figure given in Article 39 of these Regulations. The former deposit will be applicable to the new concession provided it was made in national gold.

The federal zones for whose exploration and exploitation the said rights were conferred by some of these concessions shall be left out of the new ones; but the beneficiaries of those which on the date of the enactment of the law had been in full enjoyment of their rights may obtain a contract in accordance with Article 81 by which they will be empowered to carry on their work.]

ARTICLE 150. The confirmation of rights, as mentioned in Article 14 of the Law, shall be effected without cost and by virtue of a concession after proof of said rights, in the manner provided by Articles 151 and 152.

[ARTICLE 151. The rights derived from works done prior to May 1, 1917, referred to in Section 1 of Article 14 of the law should be proved in the manner established by the laws on the subject or on the strength of documents authentic in the opinion of the Ministry of Industry, Commerce and Labor which technically prove that the said work has been done.]

ARTICLE 152. For the purposes of the foregoing Article the following should be considered as petroleum exploitation work:

The performance prior to May 1, 1917, of some positive act which would manifest the intention of the owner of the surface or of the persons entitled to exercise his rights to the oil under the surface to make use of or obtain the oil under the surface such as;—drilling, leasing, entering into any contract relative to the sub-soil, making investments of capital in lands for the purpose of obtaining the oil in the sub-soil, carrying out works of exploitation and exploration of the sub-soil, and in cases where from the contract relative to the sub-soil it appears that the grantors fixed and received a price higher than would have been paid for the surface of the land because it was purchased for the purpose of looking for oil and exploiting same if found; and in general performing or doing any other positive act or manifesting an intention of a character similar to those heretofore described.[22]

ARTICLE 153.—suppressed.

ARTICLE 154.—suppressed.

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[22] See *Proceedings of the United States-Mexican Commission Convened in Mexico City, May 14, 1923*, p. 47.

ARTICLE 155. The confirmatory concessions shall be issued in accordance with the provisions of Article 14 of the Law, without limitation of time when they be issued in favor of surface owners, and for the term stipulated in the contracts when they be issued in favor of lessees or cessionaires. Said concessions shall be drawn in the terms in which the form annexed to these Regulations is expressed, except those which may require modifications or additions by reason of the special circumstances of the case.

ARTICLE 156. The confirmatory concessions issued in accordance with Article 14 of the Law do not require guarantee deposits, nor the execution of the regular works prescribed for other concessions granted in accordance with these regulations.

In the said confirmatory concessions there shall only be established police and security conditions in the petroleum works, in accordance with these regulations, and those which may be issued on these matters, and failure to comply shall give rise to the sanctions provided by Article 18 of the Law and those stipulated in the fiscal laws.

[ARTICLE 157. The last assignee of any contract executed since May 1, 1917, and before December 31, 1925, for express petroleum purposes will hold a preferential right from December 31, 1925, to the same time in 1926 to obtain concessions in accordance with the provisions of the law and those laid down in these Regulations.]

[ARTICLE 158. The rights derived from denouncements in accordance with the provisions in Article 13 of the law shall be ratified through applications which must be filed within the first three months of the year 1927. After that time the right of confirmation which was not sought shall be considered as having been relinquished.]

[ARTICLE 159. For the purposes of Article 4 of the law if the holder of the rights recognized by Articles 12 and 14 of the said law and 157 of these Regulations is a foreign company or a Mexican company with foreign stockholders in accordance with the provisions in Article 5 of the organic law and Section I of Article 27 of the Constitution, and Article 10 of its regulations, such rights may be held by the said company during the life of the contracts from which they flow, or if the case arise, for the life of the company according to the articles of association.]

TRANSITORY

[*Article 1.* Pending a meeting of the board referred to in Section IV, Article 7 of the law there shall not be granted any concession with the special privileges to which the said section refers.]

[*Article 2.* In compliance with the provisions in Article 15 of the law, during the year 1926 no application shall be received or

other concessions granted than those resting on the rights recognized by Articles 12 and 14 of the law and 157 of these Regulations.]

The new petitions for confirmation of rights shall be accepted within the period of one year established by Article 15, amended, of the Law.

[*Article 3.* During the year 1926 in addition to the general grounds provided by these Regulations, opposition to an application may be based on the rights emanating from Articles 12 and 14 of the law.]

In the term of the year fixed by Article 15, amended, of the Law, there shall also be a cause of opposition to a petition for a petroleum concession, in addition to the general ones, that which may be based upon rights emanating from Article 14 thereof, the confirmation of which may not have been requested during the year 1926.

Article 4. The petitions for concessions confirmatory of rights, as well as the oppositions to their granting, shall be subject to the procedure (*tramite*) indicated for those for ordinary concessions, with the exception of what is provided by Articles 11 and 12 of this Regulation, and saving that which refers to the presentation of proof documents, which can be done at the will of the interested party before the corresponding Agency or directly before the Department of Industry, Commerce and Labor.

[*Article 5.* During the three months referred to in Article 158 of these Regulations the existence of a claim (*denuncio*) not patented (*titulado*) on the whole or part of the zone applied for shall be regarded as a ground of opposition to an application for a petroleum concession provided the opponent be the denouncer in person or his legal representative.]

[*Article 6.* In concessions which may be granted as a result of applications filed up to December 31, 1926 it will be stated that they are issued without prejudice to the rights named in Articles 12, 14 and 15 of the law and the preference established by Article 157 of these Regulations.

In those which are granted as a consequence of the applications filed between the first of January, 1927 and the 31 of March of the same year it shall be stated that they are issued without prejudice to the rights referred to in Article 158 of these Regulations.]

And in those based upon ordinary petitions presented within the period of the year, counted from January 11, 1928, and which may be granted in the course of the said term, it shall be stated that they are issued without prejudice to the rights recognized by Article 14 of the Law and which may not have been the object of a confirmatory petition.

[*Article 7.* In order to be taken into consideration applications for

concessions filed in the Ministry of Industry, Commerce and Labor or its Petroleum Agencies prior to the date of the promulgation of these Regulations must be ratified by the parties concerned within sixty days counted from that same date in the manner and in the offices determined by the said Regulations and at the same time the declaration of the office and date of filing of the first application shall be made so that upon the substantiation of those facts the ratification may be considered as submitted on the date of the first application.]

[*Article 8.* The provisions of the Regulations in force up to date will continue to apply to every matter that is not inconsistent with these Regulations pending the issuance of the regulations on petroleum work.]

The following Transitory Articles are added:

Article 9. In order to carry out the provisions of Article 15, amended, of the Law, there shall be admitted petitions for confirmatory concessions in the period indicated by the same article, even when the lands may have been the object of prior confirmatory petitions presented by the surface owners, when the new confirmations are requested by the lessees or cessionaires; and vice versa.

Article 10. During the period of ninety days, counted from the date on which these amendments go into effect, there shall be suspended the admission of petitions for ordinary petroleum concessions on free lands, as well as the *tramitación* of those already accepted and of those presented based on Articles 13 of the Law and 158 of these Regulations.

On the expiration of the ninety days, the substantiation of the petitions suspended shall be concluded and the admission of ordinary petitions shall be renewed; but always provided both the former and the latter refer to lands as to which until that moment a confirmatory petition may not have been formulated.

The titles which may be issued in respect of those petitions shall contain a clause in which it is stated that their granting does not prejudice the confirmable rights which might exist in the lands they cover and which may have been invoked in due form in the remainder of the term established in Article 15, amended, of the Law.

Article 11. In every case in which within the year indicated by Article 15, amended, of the Law there is presented a petition for confirmation on lands asked for in an ordinary concession or (a petition) of those based upon Article 13 of the Law, or as to which titles have already been issued in consequence of a petition of one or the other kind, the substantiation of the petitions in process (*en tramitación*) shall be suspended and the effects of the titles issued

(shall be suspended) pending the *tramitación* of the file of the confirmatory petition.

If the latter prospers and the respective concession is therefore issued, the prior petition shall be declared unfounded, whether ordinary or based upon denouncement, when it might affect the same lands, or the title which upon the basis of one of these petitions may have been already granted.

Article 12. The companies or private individuals who may have in their favor rights of those specified in Article 14 of the Law and the confirmation of which may not have been requested in the year 1926, shall be able to exercise them directly by means of a confirmatory petition or in the form of opposition to the petitions for ordinary concessions which may be presented, or to ordinary ones and those derived from Article 13 of the Law already in *tramitación* and of which they may have knowledge. For the latter purpose the term of opposition shall be considered amplified for the whole period of Article 15, amended, of the Law and the substantiation of the ordinary petition or one based upon denouncement, regarding which opposition may be formulated, shall not be suspended.

Therefore, I order it to be printed, published, circulated and given due compliance.

Given in the Palace of the Executive Power of the Union in Mexico on the 27th day of March, 1928.

(Signed) By the President.

(Countersigned) By the Secretary of Industry, Commerce and Labor.

[Enclosure 2]

Statement Handed to the Press, March 27, 1928, on Behalf of Ambassador Morrow [22a]

These Regulations when taken with the Supreme Court decision handed down November 17, 1927, the legislation passed by the Mexican Congress on December 26, 1927, and promulgated on January 10, 1928, and the letter of Minister Morones issued on January 9, 1928, evidence the determination by the judicial, the executive, the legislative, and the administrative departments of the Mexican Government to recognize all rights held by foreigners in oil properties prior to the adoption of the 1917 Constitution.

The Supreme Court decision declared that the cutting down of the oil companies' rights to a fifty-year period was unconstitutional. In connection with that decision the Court said that "the confirmation of a right is the express recognition of the same, to limit it is to modify that right instead of confirming it." Following this decision the President asked Congress is [*to*] modify the law of 1925 to con-

[22a] For release in the morning papers of Wednesday, March 28, 1928.

form with the Constitution as interpreted by the Court. The committee of Congress reporting upon this law said:

"To confirm a right is to recognize it expressly in its whole extent and with the conditions inherent therein in such a way that no restriction whatever can be established with regard to the extent or conditions of the right which is confirmed."

After the legislation had been passed certain oil companies still had doubts as to whether those who took confirmatory concessions under the new law would get a new grant or have their old rights confirmed. Because of these doubts Minister Morones, the head of the Department of Industry, Commerce and Labor, wrote a letter in answer to an inquiry from an oil company, stating that such confirmatory concession would operate "as the recognition of rights which will continue in force subject only to police regulations."

President Calles, on the advice of Minister Morones, has now issued new Regulations modifying the old Regulations in accordance with the decision of the Supreme Court and the new act of Congress. These new Regulations make clear what Minister Morones had already made clear in his letter, that those who take confirmatory concessions under the amended law get a confirmation of their old rights rather than a new grant of rights. The form of confirmatory concession as set out in the new Regulations expressly declares that it is to "operate as a recognition of acquired rights which continue in force."

There remains, of course, the determination of what rights the oil companies had on May 1, 1917. While there may well be honest differences on this point, there is no reason why such differences, if any, cannot be satisfactorily settled through the due operations of the Mexican governmental departments and the Mexican courts.

The changes in the Mexican laws and regulations have been made by the voluntary act of the Republic of Mexico. In the informal conversations which have taken place, Minister Morones and his official staff have approached the whole matter with a disposition to frame the Regulations in such a way as to meet such essential points as are susceptible of adjustment by general provisions.

Statement Issued to the Press by the Department of State, March 27, 1928

The petroleum regulations just promulgated by President Calles constitute executive action which completes the process beginning with the decision made by the judicial branch of the Mexican Government on November 17, 1927, and followed by the enactment of the new petroleum law by the legislative branch on December 26th last.

Together these steps voluntarily taken by the Mexican Government would appear to bring to a practical conclusion the discussions which began ten years ago with reference to the effect of the Mexican Constitution and laws upon foreign oil companies. The Department feels, as does Ambassador Morrow, that such questions, if any, as may hereafter arise can be settled through the due operation of the Mexican administrative departments and the Mexican courts.

812.6363/2549 : Telegram

The Secretary of State to the Ambassador in Mexico (Morrow)

WASHINGTON, *April 16, 1928—1 p. m.*

101. For the Ambassador. *New York Times* of today carries despatch from Mexico City dated April 14th to the effect that the Huasteca Petroleum Company has advised the Mexican Government through H. N. Branch that it accepts the recent petroleum regulations.

Please telegraph whether this report is correct.

KELLOGG

812.6363/2550 : Telegram

The Ambassador in Mexico (Morrow) to the Secretary of State

MEXICO, *April 16, 1928—6 p. m.*

[Received 9:45 p. m.]

112. Department's telegram 101 for the [Ambassador]. We are advised by Branch that newspaper report as set out by you is correct. Branch was received by President Calles at 1 o'clock Saturday, April 14, and informed the President of the Huasteca Company's intention to make application at once for confirmatory concessions under the amended petroleum law and regulations.

MORROW

CONVENTION BETWEEN THE UNITED STATES AND MEXICO SAFEGUARDING LIVESTOCK INTERESTS THROUGH THE PREVENTION OF INFECTIOUS AND CONTAGIOUS DISEASES, SIGNED MARCH 16, 1928

611.125/63

The Ambassador in Mexico (Sheffield) to the Secretary of State

No. 2061 MEXICO, *April 13, 1926.*

[Received April 23.]

SIR: Referring to my despatch No. 499 of April 6, 1925,[23] in which I alluded to the purpose of the United States Department of Agriculture to bring about a conference between representatives of the

[23] Not printed.

American and the Mexican Departments of Agriculture in order to discuss and formulate an agreement on various matters of mutual interest, I have the honor herewith to enclose for the Department's confidential information copy of a letter from Doctor S. O. Fladness, Agricultural Commissioner here, to the Mexican Minister of Agriculture, dated April 5, last,[24] together with translation of the reply of the Minister under date April 9.[24]

The Department will observe from this correspondence that it confirms an oral understanding arrived at in a conference between Doctor Fladness and Señor León in the recent past as a result of which it was informally agreed that, should the United States Government through diplomatic channels extend an invitation to the Mexican Government to send representatives to such a conference with representatives of the United States Department of Agriculture, the invitation would be accepted so far as the Minister of Agriculture could assume personal responsibility.

In this connection I beg leave to invite the Department's attention to the fact that I learn from Doctor Fladness that, should such a conference come about, the Mexican Government may desire to include in the agenda questions of plant quarantine and similar matters not necessarily connected with the aims of the United States Department of Agriculture in holding the conference. Doctor Fladness has also suggested that in his recent conversation with the Mexican Minister of Agriculture the latter mentioned in passing the possibility of inviting Canada to attend the conference; in the opinion of the American Agricultural Commissioner this would complicate matters considerably and probably greatly delay the making of arrangements for the conference. . . .

As recently reported, the Mexican Government has accepted the invitation of the United States Department of Agriculture to send a representative to Washington for the purpose of studying the cattle industry and Doctor Fladness informs me that it may be advisable to discuss the preliminaries of the proposed conference with this representative, Doctor José Figueroa, during his forthcoming visit in the United States, which is expected to take place upon his return from the Argentine Republic.

In view of the importance of the proposed conference and the probable desire of the Mexican Government to take up in connection with it questions which the United States' authorities may not wish to discuss, it is respectfully suggested that this phase of the question be given due consideration.

I have [etc.] JAMES R. SHEFFIELD

[24] Not printed.

611.125/66

The Secretary of State to the Ambassador in Mexico (Sheffield)

No. 900 WASHINGTON, *May 19, 1926.*

SIR: Referring to your No. 2061, of April 13, 1926, in regard to the proposed conference between representatives of the Department of Agriculture and the Mexican Department of Agriculture and Fomento in relation to certain problems of the livestock industry, I enclose a copy of a letter from the Acting Secretary of Agriculture,[25] stating that, if this matter can be presented to the appropriate officials of the Mexican Government and they are favorable to the plan, he will be glad to name three representatives of the Bureau of Animal Industry to confer with a like number of delegates of the livestock sanitary branch of the Mexican Department of Agriculture and Fomento. He suggests that, if agreeable to the Mexican authorities, the conference be held at an early date and at some convenient place mutually satisfactory to the two Governments, possibly at El Paso, Texas.

You are requested to bring the matter to the attention of the Mexican Government.

I am [etc.]

For the Secretary of State:
ROBERT E. OLDS

611.125/70 : Telegram

The Ambassador in Mexico (Sheffield) to the Secretary of State

MEXICO, *July 15, 1926—5 p. m.*
[Received July 16—12:45 a. m.]

312. Department's instruction 900, May 19th. Note just received from Foreign Office states that Mexican Government accepts invitation of United States Department of Agriculture and is agreeable to holding of agricultural conference in Washington instead El Paso during present month. Mexican representatives will be Jose Figueroa and Daniel Ortiz Berumen, who are now in Washington studying methods of Bureau of Animal Industry. Copy by pouch tomorrow.[26]

SHEFFIELD

611.125/75 : Telegram

The Secretary of State to the Ambassador in Mexico (Sheffield)

WASHINGTON, *July 24, 1926—noon.*

244. Your 321, July 23, 2 p. m.[25] Your despatch 2532 has just been received.[25] It will be entirely agreeable to this Government to

[25] Not printed.
[26] Despatch No. 2532, July 15; not printed.

hold conference in Washington instead of El Paso. Please so advise Foreign Office.

KELLOGG

611.125/78 : Telegram

The Ambassador in Mexico (Sheffield) to the Secretary of State

MEXICO, *August 4, 1926—11 a. m.*
[Received 7 p. m.]

327. Department's 244, July 24, noon. Representative of Foreign Office at conference will be Antonio Castro Leal, Counselor of Mexican Embassy at Washington.[27]

SHEFFIELD

611.125/86

The Mexican Chargé (Castro Leal) to the Secretary of State
[Translation [28]]

WASHINGTON, *October 8, 1926.*

MR. SECRETARY: I have the honor to inform Your Excellency that the Government of Mexico has seen fit to approve the decisions and recommendations reached by the delegates of Mexico and of the United States at the conferences held in this city for the prevention of cattle diseases. These decisions and recommendations appear in the joint report of August 7 of this year which the delegates submitted to the Governments of Mexico and of the United States of America for their approval.[29] I therefore take pleasure in stating to Your Excellency that the Government of Mexico is prepared, in case these decisions and recommendations are also approved by the Government of the United States of America, to appoint a plenipotentiary to conclude and sign the draft convention proposed by the delegates.

Awaiting a statement on this subject from Your Excellency, I take pleasure in renewing [etc.]

ANTONIO CASTRO LEAL

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[27] The American representatives were Dr. John R. Mohler, Chief of the Bureau of Animal Industry; Dr. Arthur W. Miller, Chief of the Field Inspection Division of that Bureau; and Mr. Richard W. Flournoy, Jr., Assistant to the Solicitor of the Department of State (file No. 611.125/73).

[28] File translation revised.

[29] The report (file No. 611.125/104) consists of a draft convention and the following recommendations:

"It is respectfully recommended that this Convention be signed by the plenipotentiaries of our respective governments as soon as practicable in order that it may be ratified and its provisions used to the advantage of each government. It is further recommended that representatives of both countries meet as soon as possible to draft such uniform regulations as may be found necessary to carry out the purposes of this Convention."

611.125/87

The Secretary of State to the Mexican Ambassador (Téllez)

WASHINGTON, *November 15, 1926.*

EXCELLENCY: I have the honor to acknowledge receipt of the Embassy's note of October 8, 1926, concerning the proposed convention between the United States and Mexico to govern the admission of animals from either country into the other and to prevent spread of contagious animal diseases.

The draft convention prepared by representatives of the two Governments has received careful study by this Department. In general it appears to be satisfactory, but it is believed that Article XIII should be amended. In the English draft this Article reads as follows:

"ARTICLE XIII

Certificates of inspection and testing of live stock issued by duly authorized veterinarians of either country shall be recognized by the other country."

The Department considers the proposed Article just quoted to be broader than is necessary and believes that it might in fact give rise to some difficulty in operation. It is conceivable that while animals may be free from disease at the time they are inspected by veterinarians on either side, they may develop disease before they reach the border, which fact would be disclosed by examination at the time of such arrival. A literal interpretation of the provision that certificates of the testing of live stock issued by veterinarians of either country "shall be recognized" by the other country, might conceivably be thought to preclude any further test or investigation by the importing country as a condition of entry. This Government would not desire to be denied the right to make such test or investigation and does not believe that the Mexican Government would desire to be restricted in this respect. This Government, however, is prepared to sign the convention provided Article XIII is changed to read as follows:

"Certificates of inspection and testing of livestock, issued by duly authorized veterinarians of either country, shall be accepted as proof that such inspection and testing have been made; but, in any case of the offer of livestock for importation into either country, the issuance of such certificate shall not preclude further tests of such animals, or further investigation with respect thereto, to determine their freedom from or exposure to disease, before entry is permitted."

Accept [etc.] FRANK B. KELLOGG

611.125/97

The Mexican Ambassador (Téllez) to the Secretary of State

[Translation [30]]

WASHINGTON, *January 21, 1927.*

MR. SECRETARY: I have the honor to acknowledge the receipt of Your Excellency's kind note of the 15th of November last in which you were pleased to inform me that the Government of the United States is prepared to sign the convention for the prevention of livestock diseases, provided article 13 of the draft convention be modified in the manner proposed by the Department of State.

In reply, it is my pleasure to inform Your Excellency that the Government of Mexico, in view of the reasons advanced by Your Excellency in the note I am answering, has found it expedient to agree that the said article 13 be amended as follows:

"Article 13. The certificates of inspection and disclosing tests issued by duly authorized veterinarians of either country shall be accepted as proof that such inspection and tests have been made; but in the cases in which livestock intended for importation into either of the two countries is concerned, the issuance of the said certificates shall not preclude further examination of such animals nor proper investigation in order to determine whether or not they are free from diseases before the permit for entry is issued."

Your Excellency will please note that the article above transcribed is exactly like that proposed by the Department of State save for slight changes in the wording.

With the statement to Your Excellency that my Government is ready to appoint a plenipotentiary to conclude and sign the draft convention as soon as convenient to the Government of Your Excellency, I take pleasure [etc.]

MANUEL TÉLLEZ

611.125/99

The Secretary of State to the Mexican Ambassador (Téllez)

WASHINGTON, *February 17, 1927.*

EXCELLENCY: With reference to your note of January 21 and the Department's reply of February 1 [31] concerning Article XIII of the proposed treaty governing the admission of animals from either country into the other, I have the honor to inform you of the re-

[30] File translation revised.

[31] Latter not printed; it stated that the subject of the Ambassador's note was receiving the attention of the appropriate authorities.

ceipt of a letter of February 8 from the Secretary of Agriculture, from which I quote the following:

"With your communication there was enclosed the translation of a letter to you from the Mexican Ambassador setting forth an amended form of Article 13 of the Convention as that Government would like to have it worded. This form is so nearly the exact equivalent of the form suggested in my letter to you of October 20, 1926,[32] in the same matter, that I should have been glad to give it my approval had I not found that, apparently by oversight, some very important words have been entirely omitted in the next to the last line of the Article as so amended.

"The purpose of this Article is to provide that certificates given by the veterinarians of either country should be accepted as proof that proper examination and tests have been made prior to offering the animals for import, but that such certificates were not to preclude further examination by either country before entry to determine whether the animals were actually free from disease *or exposed thereto*, before they were permitted entry. The words just underscored [33] constitute the omission above referred to and the inclusion of this provision is most important—and equally to each country,—because it is quite possible, in cases where certificates are given in the interior of the country, that, in the movement of the animals to the border, they may become exposed to disease and that information might be secured to that effect before the animals were actually entered. Of course, neither country would be willing to admit animals thus exposed and yet, by the Article in its present amended form, the only ground of exclusion of such cattle after the certificates had been given would be a subsequent finding that the animals were actually diseased.

"In view of the above, I take the liberty to suggest that the form presented by His Excellency, the Mexican Ambassador, be amended in just one place, that is by adding after the word 'diseases', in the next to the last line, a comma and the words 'or exposure thereto' followed by a comma. The Article as already suggested by the Mexican Ambassador but with the added words underscored [33] in accordance with the above suggestion would then read as follows:

> "'Article 13.—The certificates of inspection and disclosing tests issued by duly authorized veterinarians of either country shall be accepted as proof that such inspection and tests have been made; but in the cases in which live-stock intended for importation into either of the two countries is concerned, the issuance of the said certificates shall not preclude further examination of such animals nor proper investigation in order to determine whether or not they are free from diseases, *or exposure thereto*, before the permit for entry is issued.'

"As so worded, Article 13 of the Convention has my entire approval."

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[32] Not printed.
[33] Printed in italics.

You are requested to be so kind as to inform the Department whether the Mexican Government will agree to Article XIII of the proposed treaty with the amendment proposed by the Secretary of Agriculture.

Accept [etc.]

For the Secretary of State:
ROBERT E. OLDS

611.125/100

The Mexican Chargé (Castro Leal) to the Secretary of State

[Translation [34]]

WASHINGTON, *March 16, 1927.*

MR. SECRETARY: I have the honor to acknowledge the receipt of Your Excellency's kind note of February 17th of this year relative to article 13 of the draft convention for the prevention of livestock diseases, in which Your Excellency was pleased to quote a statement from the Department of Agriculture setting forth the reasons why that Department deems it important to the interests of both countries that there be added to article 13 as proposed by my Government the following words: "or exposure thereto" in the English text and "o expuestos a ellas" in the Spanish text.

In reply, I have the honor to inform Your Excellency that the Government of Mexico agrees to the amendment suggested by the Department of Agriculture of the United States and therefore agrees that the said article 13 be worded as follows:

"Article 13. The certificates of inspection and disclosing tests issued by duly authorized veterinarians of either country shall be accepted as proof that the said inspection and tests have been made; but in the cases in which live-stock intended for importation into either of the two countries is concerned, the issuance of the said certificates shall not preclude further examination of such animals nor proper investigation in order to determine whether or not they are free from diseases, or exposure thereto, before the permit for entry is issued." [35]

With the statement that my Government is ready to appoint a plenipotentiary to conclude and sign the said draft convention as early as it may suit Your Excellency's Government, it affords me pleasure to renew [etc.]

ANTONIO CASTRO LEAL

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[34] File translation revised.

[35] The English text used in the translation of art. 13 is that which appears in Department's note of February 17, 1927, *supra*.

611.125/104a : Telegram

The Secretary of State to the Ambassador in Mexico (Morrow)

[Paraphrase]

WASHINGTON, *February 24, 1928—10 a. m.*

49. Referring to Embassy's despatch No. 2586, July 23, 1926,[37] and to previous correspondence with regard to the drafting of a convention to be signed by representatives of the Governments of the United States and Mexico with the object of preventing the introduction of infectious and contagious diseases of livestock, an agreement as to the provisions of the convention was informally reached between representatives of both Governments in 1926. In its note of March 16, 1927, the Government of Mexico informed the Department that it was prepared to appoint a plenipotentiary to sign the convention on behalf of that Government. No further steps were taken at that time, however, by the Department. You will recall that on March 21, 1927,[38] the Government of the United States notified the Government of Mexico that it desired to terminate the convention between the United States and Mexico to prevent smuggling, signed December 23, 1925.[39]

The Department is now ready to proceed with the signing of the convention which was drawn up in Washington in the summer of 1926, and if you perceive no objection, the Department would be pleased to have you inquire informally of the Acting Minister for Foreign Affairs if the Government of Mexico would now be disposed to do likewise. If the Government of Mexico agrees to the proposal, the Department will address a note to the Mexican Embassy in Washington in reply to its note of March 16, 1927, stating that the Government of the United States will now be pleased to proceed to conclude the convention. Wire answer.

KELLOGG

611.125/105 : Telegram

The Ambassador in Mexico (Morrow) to the Secretary of State

[Paraphrase]

MEXICO, *February 29, 1928—1 p. m.*

[Received 3:39 p. m.]

63. Department's telegram No. 49, dated February 24, 1928, 10 a. m. I have been informed by the Foreign Office that the Government of Mexico is ready to sign the convention to prevent the introduction of livestock diseases. On March 2 the President will sign full powers

[37] Not printed.

[38] See telegram No. 69, Mar. 21, 1927, 4 p. m., to the Ambassador in Mexico, *Foreign Relations*, 1927, vol. III, p. 230.

[39] *Ibid.*, 1925, vol II, p. 510.

for Ambassador Téllez to sign the convention, which powers will be sent immediately to Washington by mail. The Foreign Office added that the Department may therefore reply to the note of the Mexican Embassy of March 16, 1927, as indicated in its telegram above referred to.

MORROW

611.125/105 : Telegram

The Secretary of State to the Ambassador in Mexico (Morrow)

WASHINGTON, *March 2, 1928—7 p. m.*

62. Your #63, February 29, 1 p. m. Department handed note to Mexican Ambassador today[40] expressing its understanding that Mexican Government is prepared to sign Convention and that Tellez will be empowered to sign on behalf of his Government. Tellez stated that he would be ready to sign on receipt of full powers. Convention will probably be signed during week beginning March 12th.

Please inquire of Foreign Office whether it will agree that simultaneous press announcements regarding proposal to sign Convention be made by both Governments, date of announcement to be mutually agreed upon as soon as date of signature is fixed. In the meantime Department will regard matter as confidential.

Please telegraph.

KELLOGG

611.125/107 : Telegram

The Ambassador in Mexico (Morrow) to the Secretary of State

MEXICO, *March 8, 1928—noon.*

[Received 2:10 p. m.]

73. Department's 65, March 7, 6 p. m.[40] Foreign Office states March 16 will be entirely satisfactory for signing of convention. Foreign Office will issue statement to this effect for publication in the morning press of March 9.

MORROW

Treaty Series No. 808

Convention Between the United States of America and Mexico, Signed at Washington, March 16, 1928[41]

The Government of the United States of America and the Government of the United Mexican States, being desirous to safeguard more

[40] Not printed.

[41] In English and Spanish; Spanish text not printed. Ratification advised by the Senate, Mar. 28 (legislative day of Mar. 27), 1928; ratified by the President, Apr. 7, 1928; ratified by Mexico, Dec. 13, 1929; ratifications exchanged at Washington, Jan. 17, 1930; proclaimed by the President, Jan. 18, 1930.

effectually the live stock interests of their respective countries through the prevention of the introduction of infectious and contagious diseases, have, for that purpose, agreed to conclude a Convention, and have to that end appointed as their respective plenipotentiaries:

The President of the United States of America, Frank B. Kellogg, Secretary of State of the United States of America; and

The President of the United Mexican States, His Excellency Señor Don Manuel C. Téllez, Ambassador Extraordinary and Plenipotentiary of the United Mexican States at Washington;

Who, having exhibited to each other their respective full powers, which were found to be in good and due form, have agreed upon the following Articles:

ARTICLE I

The High Contracting Parties agree to maintain at designated border and sea ports authorized for the importation of animals an adequate live stock sanitary police service to guard against the introduction of animals affected with or exposed to contagious disease, and to notify each other at least ten days in advance whenever a port is to be closed or a new one is to be opened. In case of live stock imported or in bond the official veterinary inspectors of either country are authorized to make inspections, supervise dippings, and apply the necessary tests upon either side of the border as may be convenient.

ARTICLE II

Quarantine stations shall be maintained by the High Contracting Parties at designated border and sea ports for animals imported from foreign countries. Such animals shall be kept under observation and subjected to tuberculin, mallein, blood, or other tests as may be necessary for the diagnosis of disease.

ARTICLE III

The High Contracting Parties agree to supervise the sanitary handling of animal by-products, forage, and other commodities offered for importation that may be carriers of infectious and contagious diseases and to prohibit the importation of forage or other articles accompanying live stock affected with such diseases or suspected of being so affected.

ARTICLE IV

The appropriate authorities of each of the High Contracting Parties shall incorporate in their regulations the necessary measures

governing the disinfection of vessels and all kinds of vehicles used in the transportation of animals and of the quarantine stations or other premises occupied by animals affected with dangerously acute and rapidly spreading contagious diseases such as foot-and-mouth disease, rinderpest, contagious pleuro-pneumonia, and hog-cholera.

ARTICLE V

The competent officials of each of the High Contracting Parties shall prescribe the form and requirements of the permit and certificates to be presented as evidence that the animals are eligible for importation; of the manifests, bills of lading and other papers to be submitted by importers, captains of vessels, or others in charge of live stock offered for importation; and of the records to be kept by the veterinary officials at the ports of entry.

ARTICLE VI

The form and requirements of certificates which shall accompany shipments of animal by-products, hay, straw, and other imported commodities shall be specified by the duly authorized officials of each of the High Contracting Parties.

ARTICLE VII

It is agreed that an efficient veterinary live stock sanitary police service shall be maintained under the Department of Agriculture in the United States and the Secretaria de Agricultura y Fomento in Mexico to combat infectious, contagious, or parasitic diseases of live stock.

ARTICLE VIII

The live stock sanitary officials shall define the specific territory in their respective countries in which any contagious or infectious disease exists and shall indicate zones which may be considered as exposed, in order to prevent the propagation and dissemination of the infection of such disease.

ARTICLE IX

The High Contracting Parties shall not issue permits for domestic ruminants or swine originating in any foreign countries or zones where highly infectious and rapidly spreading diseases such as foot-and-mouth disease and rinderpest appear frequently, until at least sixty days have elapsed without any outbreak of the disease in such countries or zones. When a disease of this kind occurs in any

part of a foreign country any other part of the same country shall be considered as exposed until the contrary is positively shown, that is, until it is shown that no communication exists between the two parts by which the disease may be readily transmitted. When such a disease occurs near the land border of a foreign country, the neighboring part of the adjacent country shall be considered as exposed until the contrary is positively shown.

ARTICLE X

It is agreed that the respective governments shall notify each other promptly, through the usual diplomatic channels, of the appearance and extent of seriously acute, contagious diseases. In the case of outbreaks of diseases of this character not recently existing in either country information may be transmitted immediately in the most expeditious manner.

ARTICLE XI

The High Contracting Parties agree to exchange the official regulations, periodicals, and other publications that may come out in their countries on the subject matter of this Convention and information concerning changes and substitutions which may be developed in the methods of prophylaxis, control, and care of animal diseases; and also to establish an interchange of students and experts and visits of representatives of the respective governments, for the purpose of studying and observing on the ground methods of control and eradication of such diseases as may break out in the territory of either of the nations.

ARTICLE XII

Special regulations shall be issued by each of the High Contracting Parties governing the movement of live stock between the respective countries. These regulations shall specify in each case the veterinary sanitary police measures applicable.

ARTICLE XIII [43]

Certificates of inspection and testing of live stock, issued by duly authorized veterinarians of either country, shall be accepted as proof that such inspection and testing have been made; but, in any case of the offer of live stock for importation into either country, the issuance of such certificate shall not preclude further tests of such animals, or further investigation with respect thereto, to determine their freedom from or exposure to disease, before entry is permitted.

[43] A few minor changes in the English text of art. XIII as set forth in the Secretary of State's note to the Mexican Ambassador, Feb. 17, 1927, appear to have been made at the time of the signing of the convention.

ARTICLE XIV

This Convention shall be ratified, and the ratifications exchanged at the city of Washington as soon as possible.

The Convention shall come into effect at the date of publication in conformity with the laws of the High Contracting Parties, and it shall remain in force until thirty days after either party shall have given notice to the other of a desire to terminate the Convention.

IN WITNESS WHEREOF, they have signed the present Convention and have affixed thereto their respective seals.

Done in duplicate, in the English and Spanish languages, at the City of Washington, this sixteenth day of March, one thousand nine hundred and twenty-eight.

FRANK B. KELLOGG [SEAL]
MANUEL C. TÉLLEZ [SEAL]

OPPOSITION OF THE DEPARTMENT OF STATE TO ANY UNDUE PREFERENCE FOR ANY GROUP OF CREDITORS OF THE MEXICAN GOVERNMENT

812.51/1460a : Telegram

The Secretary of State to the Ambassador in Mexico (Morrow)

WASHINGTON, *November 2, 1928—noon.*

287. Press reports indicate that representatives of the foreign holders of Mexican bonds are in Mexico City attempting some adjustment of the issued and outstanding bonded indebtedness of Mexico, of which it is understood American citizens hold approximately 20 per cent. The Department has not been consulted regarding and is not advised concerning the nature of these negotiations. While the Department does not at this time wish to express any views or opinions whatsoever regarding these negotiations, nevertheless it desires that in your discretion, formally or informally as you deem wisest, you call to the attention of the Mexican Government the fact that there are other obligations, liquidated and unliquidated, of the Mexican Government to American citizens, the existence of which should not be overlooked in connection with any financial adjustments which the Mexican Government may have under consideration with its foreign bondholders of whom, as stated, only one-fifth approximately in amount are American citizens. While the Department does not at this time feel it necessary to make any determination or indeed to enter upon any discussion of the question of the relative priorities of various Mexican obligations to American citizens or others, either with reference to the time of origin or to the character of such obliga-

tions, yet the Department is prepared now to say that it would consider that the obligation of Mexico to compensate an American citizen upon a claim espoused by his Government for property appropriated or destroyed, or for life lost, or for arrest and imprisonment, or for a personal assault in Mexico, contrary to the laws and principles of international law controlling in the circumstances surrounding such appropriation or destruction or loss of life, arrest, imprisonment, or assault, is not inferior to the obligation running in favor of one who had voluntarily lent money to Mexico upon the faith of a bond.

Under the existing financial condition of Mexico the Department would feel that it must carefully consider whether it should not earnestly protest any adjustment by Mexico with any class of its creditors either American, foreign, or domestic, which appeared to the Department to constitute an undue or unfair preference in favor of such creditors to the detriment of other American creditors of equal rank.

In connection with the general financial condition of Mexico and with any proposed adjustment connected therewith and involving Mexican creditors, there should not be overlooked the gold obligations of Mexico maturing under the American-Mexican claims conventions as also the obligations maturing under similar conventions with other countries.

KELLOGG

812.51/1462

The Ambassador in Mexico (Morrow) to the Secretary of State

[Extracts]

No. 1114 MEXICO, *November 9, 1928.*

[Received November 16.]

SIR: I have the honor to report in reply to the Department's instructions No. 287 of November 2, 1928, that Mr. Arthur M. Anderson and Mr. Joseph E. Sterrett, representing the International Committee of Bankers on the Mexican debt, have been in consultation with the Minister of Hacienda and his representatives during the past three weeks. The purpose of these consultations has been to discuss the general principles which might form the basis for a new agreement in regard to the external debt.

. . . . . .

I have made no formal representations to the Mexican Government in regard to the possible effect of a new agreement with the International Committee on their ability to make proper provision for the payment, as occasion arises, of other classes of obligations in which American citizens are interested. I have, however, informally called the attention of both the Minister of Hacienda and the Acting Minister of Foreign Affairs to the unfortunate situation which would arise if

they now conclude a new agreement on the external bonded debt of such a nature that it might break down when the country is faced with the necessity of providing for the payment of other obligations including the claims sponsored by various foreign governments.

I have [etc.] DWIGHT W. MORROW

812.00/29370 : Telegram

The Chargé in Mexico (Schoenfeld) to the Secretary of State

[Extract—Paraphrase]

MEXICO, *December 9, 1928—noon.*
[Received December 10—1:08 a. m.]

319.

. . . . . .

The Minister of Finance, Montes de Oca, has requested that Mr. Morrow be informed that political events of the past week have rendered it desirable to leave debt negotiations and plans for railroad reorganization *in statu quo* until the situation becomes somewhat clarified, which might be within a few days or a few weeks. The Minister of Finance does not know, as yet, just what effect General Calles' change in political plans may have on his position in regard to railroad reorganization.

SCHOENFELD

ESTABLISHMENT OF AIR MAIL SERVICE BETWEEN THE UNITED STATES AND MEXICO

811.71212/60

The Second Assistant Postmaster General (Glover) to the Assistant Secretary of State (White)

WASHINGTON, *March 23, 1928.*

MY DEAR MR. SECRETARY: Following up our telephone conversation of today, I am asking if it will be possible for the State Department to find out, through its diplomatic channels, whether the approval of the Mexican Government could not be obtained for the operation of an Air Mail line from Brownsville, Texas, to Mexico City, via Tampico and Vera Cruz.

The Post Office Department is very anxious to include an advertisement for such a route in the advertisements for two other routes to Central and South America which it will shortly put out, using the authority given to the Postmaster General under the recent legislation passed, known as HR 7213.

The Department is very shortly to ask the Director of the Budget for an appropriation and, of course, if it is going to be possible to

include the Mexican route in this group of Air Mail routes to the countries south of us, this Department would be more than glad to include that advertisement along with the others which are so shortly to be put out.

Will be more than glad to receive an answer to this letter at the early convenience of your good self through the State Department.

I am [etc.] W. IRVING GLOVER

811.71212/60 : Telegram

The Acting Secretary of State to the Ambassador in Mexico (Morrow)

WASHINGTON, *March 24, 1928—5 p. m.*

79. Under authority given to the Postmaster General under recent legislation passed by Congress Post Office Department is anxious to advertise in the United States for the operation of an air mail line from Brownsville, Texas to Mexico City via Tampico and Vera Cruz. Advertisements will shortly be put out also for routes to Central and South America.

Please address note to Foreign Office inquiring whether foregoing project would have the approval of the Mexican Government and pointing out that air line would be operated by commercial enterprise not connected with United States Government.

Please endeavor to expedite reply.

OLDS

811.71212/62

The Ambassador in Mexico (Morrow) to the Secretary of State

No. 493 MEXICO, *April 3, 1928.*

[Received April 10.]

SIR: I have the honor to refer to the Department's telegram No. 79 of March 24, 1928, 5 P. M., relating to the intention of the Postoffice Department of the United States to advertise for the operation of an airmail line from Brownsville, Texas, to Mexico City via Tampico and Veracruz, and in confirmation of my telegram No. 98 of March 31, 1928, 1 P. M.,[44] I have the honor to transmit herewith a copy and translation of a communication received from the Foreign Office dated March 31, 1928, in response to the Embassy's representations, stating in substance that under certain conditions the Government of Mexico perceives no objection to the contemplated advertisements.

I have [etc.] DWIGHT W. MORROW

[44] Not printed.

[Enclosure—Translation]

The Mexican Acting Minister of Foreign Affairs (Estrada) to the American Ambassador (Morrow)

4777 MEXICO, *March 31, 1928.*

The Undersecretary of Foreign Relations in charge of the Ministry of Foreign Relations presents his compliments to His Excellency the Ambassador of the United States of America, and, with reference to his Note Verbale No. 257 of the 27th instant, has the honor to advise him that there is no objection whatever to the United States Post-Office Department's advertising for the operation of an air-mail service from Brownsville, Texas, to Mexico City, via Tampico and Veracruz, provided this does not imply any financial obligation on the part of the Mexican Government for the maintenance of said service, and that it is used merely as a means for carrying the correspondence sent over that route.

It would be well to observe, in this respect, that the air route from Matamoros to Tampico has been given by concession to the Compañía Mexicana de Aviación, S. A.; that from Tampico to Tuxpam, to Mr. A. A. Zambrano; and that from Tampico to Veracruz, to Mr. Enrique Schoendube; therefore, only the route from Veracruz, to Mexico City remains free from any concession.

Genaro Estrada takes the liberty to suggest to His Excellency, Mr. Morrow, that it would be expedient for the postal authorities of the United States of America interested in the operation of the air-mail route under reference, to get in touch with the Compañía Mexicana de Aviación, S. A., and Messrs. Zambrano and Schoendube, with a view to the establishment of said line.

811.71212/66 : Telegram

President Calles to President Coolidge [45]

[Translation [46]]

MEXICO, *October 1, 1928—11:30 a. m.*

I congratulate Your Excellency most cordially on the establishment of the air mail service between our countries, which, being initiated today, now marks a new spirit looking toward better relations between the peoples of Mexico and the United States.

P[LUTARCO] ELIAS CALLES

[45] Received in the Department of State October 3.
[46] File translation revised.

811.71212/66 : Telegram

President Coolidge to President Calles

WASHINGTON, *October 1, 1928—5 p. m.*

Upon the occasion of the inauguration of the air mail service between this country and Mexico, it gives me great pleasure to express to you my felicitations on this important step in the advancement of the communication between our two countries, which will become a new bond in bringing together more closely the relations between Mexico and the United States.

CALVIN COOLIDGE

GOOD OFFICES OF AMBASSADOR MORROW IN FACILITATING NEGOTIATIONS BETWEEN THE MEXICAN GOVERNMENT AND REPRESENTATIVES OF THE ROMAN CATHOLIC CHURCH

812.404/895½

The Ambassador in Mexico (Morrow) to the Secretary of State

MÉXICO, *July 23, 1928.*

[Received July 30.]

MY DEAR MR. KELLOGG: As you are already aware Mr. Olds and I have kept up a personal correspondence during the past year with reference to the religious controversy in Mexico. My letters to him of December 9, 1927, February 21, March 16 and April 10, 1928, set forth in some detail the situation down to and including the first visit of Father John J. Burke and Mr. Montavon to Mexico City on April 3rd to 5th. Due to Mr. Olds' departure from Washington it appears desirable for your information that I should review very briefly the earlier events and in some detail the developments in the situation since the date of my last letter mentioned above.

Before I came to Mexico last October I talked in Washington with Father John J. Burke, the General Secretary of the National Catholic Welfare Conference, who was sent to me by Judge Morgan J. O'Brien and Cardinal Hayes. Subsequently, in January during my visit to Havana for the Pan-American Conference, Father Burke again called on me for the purpose of discussing the religious situation in Mexico. As a consequence of these talks Father Burke requested me to ascertain whether President Calles would receive him if he asked for an interview and came to Mexico for that purpose. After my return to Mexico I ascertained that President Calles would receive Father Burke and communicated the fact to the latter. At this juncture publicity was given in the United States press to the probability of such an interview. As a result of this publicity, the President felt that no good purpose could at that time be served

by Father Burke coming to Mexico. Subsequently the difficulties caused by this incident were smoothed away and Father Burke, accompanied by Mr. Montavon, the legal adviser of the National Catholic Welfare Conference, came to Mexico and on April 4th in Veracruz, where the President was spending a week's holiday, the former had a long interview with the President, lasting throughout the day. President Calles and Father Burke appeared to make an excellent mutual impression one on the other and were able to discuss the situation in a broad and liberal way and without rancor. They exchanged letters which, if they had been ratified by Father Burke's superiors, would have led to a prompt resumption of public worship in the churches and might well have laid the basis for a later modification of the objectionable laws.

Father Burke on his return home had an unfortunate and untimely illness. Instead of the matter being reported promptly to Rome by cable, as had been anticipated, it was delayed apparently for the purpose of obtaining an expression of opinion on a possible method of settlement from a group of Mexican Bishops. A meeting of Mexican Bishops was held in San Antonio the latter part of April. I am not clear whether this meeting was specially called to consider the possibility of a settlement. At all events, Archbishop Ruiz, who upon the death of Archbishop Mora y del Rio became the senior prelate of the Mexican Church and as such presided at this meeting, was the only person present who knew of the exchange of letters between the President and Father Burke. There were ten bishops at this conference and they unanimously expressed a willingness to return to Mexico under the present administration, and to leave the decision unconditionally to the Holy See, but did, however, make some suggestions as to the terms that should be included in any adjustment.

Mr. Olds' cables of May 9th and 10th, and his letters of May 5th and 9th, informed me of the results of the San Antonio conference. Father Burke also wrote me on May 9th covering the same ground and enclosing a letter signed by himself and addressed to President Calles, in which he expressed the hope that the President might give certain additional and more explicit assurances than those contained in his letter of April 4th. After receipt of Mr. Olds' cables, but prior to the receipt of his and Father Burke's letters, I talked with the former by telephone. He agreed with me that it would be very difficult, if not impossible, to get any further assurances from President Calles and that in any event it would be quite useless to take the matter up with him by letter. I suggested that it would be wise for Father Burke to make another visit to Mexico and to bring with him Archbishop Ruiz. Although the latter had become the

416955—43——28

senior Mexican prelate, this, of course, did not mean that he had any authority over the other Mexican bishops and archbishops, nor authority to deal finally with the question of a settlement.

Mr. Olds, after a conference with Father Burke, telephoned me that Father Burke and Archbishop Ruiz would be glad to come to Mexico. I at once tried to arrange with President Calles for permission to have them come. President Calles was absolutely opposed to Archbishop Ruiz coming. He stated that it would be impossible for him to come without getting into discussions with Mexican prelates and with prominent Catholic laymen in Mexico, and that publicity would consequently result, as there was a small but powerful element in Mexico who had steadfastly opposed any adjustment and would welcome the opportunity to impede the work that Father Burke was trying to do. When I reported this to Mr. Olds by telephone he conferred with Father Burke. Father Burke asked Mr. Olds to explain that he would be greatly embarrassed if he were unable to bring Archbishop Ruiz with him. I, therefore, made another effort with President Calles, and he reluctantly assented to Archbishop Ruiz accompanying Father Burke.

Father Burke, Archbishop Ruiz and Mr. Montavon, after being again met at the border by the President's representative, Mr. A. F. Smithers, proceeded as far as Tacuba, a suburb of this city, on a private car which I had arranged to have awaiting them at Laredo. From Tacuba they were taken by motor to the house of Captain McBride, a member of the Embassy staff, where they remained from their arrival on the morning of May 17th until their departure on the evening of May 19th. During this time they held no conferences except with the President and with myself and in fact talked with no one else except those immediately concerned in these conferences. It was, of course, desired to avoid premature newspaper publicity and to defer to the wishes of the President as indicated in the previous paragraph.

On the day of their arrival I conferred at length with all three individually and collectively. This conference lasted from 8 o'clock until 4, when I called on President Calles and discussed the situation with him, after which at 5 o'clock he received Father Burke, Archbishop Ruiz and Mr. Montavon, and myself. As at the previous conference in Veracruz, Mr. James Smithers and Mr. A. F. Smithers were also present, the former acting as interpreter. Father Burke presented the suggestions of the Mexican Bishops as made at the San Antonio meeting. The President answered and explained briefly why he could not comply with these suggestions. Archbishop Ruiz then made a short statement to which the President replied. Archbishop Ruiz expressed himself as willing to address a new letter

to President Calles in substantially the form of the letter written by Father Burke to President Calles on March 29, 1928, with the important addition that a special reference was made to a public speech made by Dr. Puig Casauranc, Minister of Education, on April 15, 1928, at Celaya, which speech had been pleasing to the Church. It was contemplated that this letter of Archbishop Ruiz should be answered in some such form as that in which the President had already answered Father Burke, and that when the proper authority had been received the two letters should be made public and the priests then should be directed by the proper authorities to return to their churches.

In anticipation of the reaching of such an agreement as was reached, Mr. Olds and I had arranged that he should remain available in Washington all of the night of May 17th, so that any message we sent him by cable should be delivered during the night to the office of the Papal Delegate in Washington, and cabled over to Rome immediately so that an answer might be received as soon as possible. Father Burke's message to his associates was transmitted by me to Mr. Olds late in the evening of May 17th. As the message indicates, it was contemplated that an answer would be received from Rome in time to open the churches on Sunday, May 27th, which is the day celebrated as the Feast of the Pentecost.

Father Burke, Archbishop Ruiz and Mr. Montavon had planned to wait here until they received the answer from Rome. On the 19th, however, a telegram was received directing their immediate return to Washington for the purpose of proceeding to Rome. They accordingly left Mexico City that evening. For some reason, that neither Mr. Olds nor I have understood, it was apparently decided that Archbishop Ruiz alone should go to Rome, despite the fact that Father Burke had been the one who had carried on the negotiations from the outset. Archbishop Ruiz, unaccompanied either by Father Burke or Mr. Montavon, accordingly left New York for Rome on May 26th on the S. S. *Leviathan.*

When Archbishop Ruiz reached Paris the fact of his journey to Rome became known through a cable to the *New York Times* of June 1. A day or two later when Archbishop Ruiz reached Rome there was considerable publicity, a portion of which got into the Mexican press. From the messages which came from Archbishop Ruiz to Father Burke I was fully satisfied that Archbishop Ruiz had been misquoted. The fact remains, however, that his visit to Rome became known, and that this fact led to a great deal of pressure being brought upon the authorities in Rome by those associated with the Church in Mexico who bitterly opposed a settlement.

While I was in the North I had several conferences with Father Burke, at some of which Mr. Olds was present. The matter by this time was quite out of Father Burke's hands. Through Father Burke, Mr. Olds and I met the Papal Delegate, Archbishop Fumasoni Biondi, twice. Our first talk with the delegate was in the early part of June, and our second talk was almost the last of June. Apparently the only official action at Rome was the reference of the subject to the Congregation on Extraordinary Foreign Affairs. Such personal communications as had come from Rome to Father Burke indicated, however, that while no definite decision had been reached, the Vatican was very reluctant to authorize the delivery of the letter which Archbishop Ruiz had prepared and left for delivery when the proper authority was received. This reluctance of Rome to act seemed to be due partly to representations which came from Mexico opposing any settlement, and partly due to representations from Mexico that it would be better to await and make the settlement with General Obregon, and partly due to the unwillingness of the authorities at Rome to proceed without more specific assurances than those provided in the interchange of letters.

I got back to Mexico on the evening of July 3rd. I saw the President on the morning of the 7th of July for an hour and a half and discussed the whole question with him. James Smithers acted as interpreter. I told the President about my talks with Father Burke in the United States, and explained some of the difficulties. I further told him that I was certain that Archbishop Ruiz had not expressed the opinions attributed to him in the press. I told him further that Father Burke was still hopeful of a favorable outcome, but that there was no doubt that some pressure was being brought upon the Vatican authorities to make no adjustment until General Obregon came in, or to make no adjustment unless further and more definite assurances were given. President Calles reviewed the whole course of the negotiations with me with care and with accuracy. He expressed a very high opinion of Father Burke. He said that he had never expected any favorable outcome after he heard that Father Burke, himself, was not going to Rome. He stated that when the matter became public the Government had received inquiries from its foreign representatives in many countries. They also had received inquiries from priests in Mexico as to whether they could go back into the churches. They also had received criticism from prominent supporters of the Government objecting to what was called surrender to the Church. All of this had been very embarrassing to his Government. He had thought at first that it was his duty to make a statement, but he had concluded that the advice I had sent him through Mr. Clark was wise and that he would make no statement

until the Vatican announced its decision, that when that decision was announced it would be necessary for him to make a statement, at which time he would probably state exactly what he had done, probably making public the correspondence already exchanged.

He further stated that while the number of people in Mexico opposing the adjustment was small, they were people who had been very influential in the old regime and that if they were to direct the activities of the Church when it came back he should much prefer that the Church should not come back.

On Monday, July 16th, Governor Aaron Saenz of Nuevo Leon, formerly Minister for Foreign Affairs in the Cabinet of President Calles, and long time intimate friend of, and recently campaign manager for, General Obregon, informed me that President-elect Obregon, who had arrived in Mexico City the preceding day, wanted to have a long talk with me. I made an appointment to meet General Obregon the next afternoon, Tuesday, at 5 o'clock. On Tuesday morning Governor Saenz came to the Embassy and talked with me at considerable length about governmental matters, including the religious question. He assured me that there was absolutely nothing in the story that General Obregon was interfering in any way with the proposed adjustment, that President Calles had consulted fully with General Obregon about it, and that General Obregon was hoping that the *modus vivendi* might be worked out as soon as possible to the end that a later readjustment of the laws might be made during the era of peace which he hoped would prevail during his administration. Governor Saenz left me to go to the luncheon at which General Obregon was shot.

The foregoing is a rough review and record of the actual course of events and the conversations and principal correspondence which I have had in regard to the religious situation here. This seems to have been necessary because I think that both Father Burke and myself are in danger of getting somewhat off the track and that others concerned directly or indirectly in any possible settlement are perhaps gravely in error in regard to the real facts of the situation. There is no doubt that certain Catholics here and elsewhere believe that President Calles is seeking some sort of peace. They do not know that Father Burke's letter of March 29, 1928, asked for the interview of April 4th, which President Calles agreed to with some reluctance, and that the subsequent talk with Father Burke and Archbishop Ruiz was brought about on their initiative and was agreed to by the President with still greater reluctance. The President, ever since his answer of August 19, 1926, to the Mexican Episcopate, has been consistent in expressing his inability to initiate or promise any changes in the Constitution or laws, at least under existing conditions. I

believe Father Burke is fully aware of these facts and understands the conditions from which they arise. It was his clear grasp of the situation which not only permitted him to discuss the question with the President in such a broad minded and liberal spirit as to obtain from him a more sympathetic response than had previously appeared possible, but also enabled him to convince some of his associates, both of the American and of the Mexican church, with whom he has had opportunity to discuss the matter. It is for these reasons that I have felt strongly the desirability of his being able to place the case personally before those with whom rests the final authority.

To show how widely different the feeling of Father Burke and some of the Mexican prelates is, I am enclosing a translation of a memorandum which came to me through Mr. Amor.[47] The author of the memorandum was Bishop Mora. Mr. Amor called on me the other day to talk about his San Gabriel property. During the course of the talk he referred to the Church question and said that I ought to talk with Bishop Mora, that he understood the situation better than anybody else. I told him that I should consider it improper to discuss the Church matter with Bishop Mora, that the matter was one which the State and the Church should settle between themselves, and that there was nothing the United States Government could do in the matter; that I, as a person, was entirely sympathetic with both sides and regretted that they could not get together, but that if men like Bishop Mora would assist the efforts of Archbishop Ruiz instead of trying to impede them, it might be possible that the Church and the State could work out some *modus vivendi.* A day or two later Mr. Amor called and left with Mr. Alan Winslow [48] a memorandum in Spanish, of which the enclosed is a translation.[47]

I am also enclosing you a translation of an anonymous document purporting to be the June Bulletin of the "National League for the Defense of Religious Liberty".[47] Similar bulletins are issued from time to time anonymously. It is probable that bulletins of this type, which actually take credit for the derailing of trains, are put out by the most irresponsible type of person. The Government, of course, is able to obtain copies of all these documents, and naturally associates this "League" with the "Federation for the Defense of Religious Liberty" which is referred to in terms of approbation in the Encyclical of November 18, 1926. While the "League" may, and in all probability has, no connection whatever with the Church, this confusion in names does, however, add to that distrust of church authorities inside and outside of Mexico which people in the Government undoubtedly have.

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[47] Not printed.
[48] First secretary of the Embassy in Mexico.

In considering the situation at the present moment I must revert to my letter of March 16, 1928, in which I wrote:

"In stating that I am satisfied that such a letter can be secured from the President, I am assuming that the conditions will not substantially change before the effort is formally made to get President Calles to give such assurance. Mr. Lagarde [49] is in my opinion correct in stating that 'all of the conditions at this moment are favorable, and that delay may spell loss of an opportunity which may not soon come again'. It must not be forgotten that actual military operations are now going on in the field and that they are believed by the Government to be incited, financed and led by the Church. Something may happen any day which would make it impossible for one party or the other to act".

You will note that the foregoing is a quotation from my letter of March 16th. March 16th is now more than four months away. The letter that President Calles signed and delivered to Father Burke is dated April 4th. April 4th is now more than three months away. The visit of Archbishop Ruiz here was on May 17th. Before he went to Rome he left a letter signed in escrow for delivery to President Calles when the proper authority was received. It was almost two months ago that that letter was delivered in escrow. Meanwhile, however, something has happened. President-elect Obregon has been assassinated. At the present time it would be very difficult, if not impossible, for President Calles to go ahead with the adjustment as arranged between Father Burke and himself, even if the Church were now ready to go ahead. A member of the Catholic Church in Mexico with whom I talked yesterday—a person who has been earnestly desirous of an adjustment—told me that in his opinion no Government could make any adjustment of the controversy at the present time without falling from power; that he thought the killing of Obregon put off any adjustment for at least a year. He deplored this fact greatly and stated that he thought those Catholics were very unwise who had thought that it were better to postpone an adjustment until General Obregon came in. He stated that he had always felt that President Calles would be able to make an adjustment more favorable to the Church than any successor of his would in the near future be able to make. He further stated that the authorities in Rome had constantly been deceived as to the strength of the feeling against the Church in Mexico.

I do not concur in the foregoing statement so far as it means that an adjustment must be postponed for a year. I do concur, however, that it is absolutely futile to discuss the question at the moment.

Of course the assassination of General Obregon throws a very

[49] M. Ernest Lagarde, secretary of French Legation in Mexico, transferred to French Foreign Office.

heavy burden upon President Calles. I am satisfied that he does not, himself, want to continue in the presidency longer. If he goes out, who is to take his place? It is too early to say what the outcome will be. I have seen him but once since the assassination, and then only for a few moments. I regret the form of some statements that have been issued here and in Rome. It is, of course, not easy for either side to see the point of view of the other, or even to believe in the sincerity of the other. The remarkable thing to me about Father Burke's two visits was that he had succeeded in presenting a point of view of the Church which President Calles had not theretofore known, and he had also succeeded in getting a point of view of the Government which I am sure he could have made clear to the high authorities of the Church if he had had an opportunity to do so. But all this discussion is inopportune for the moment. Some of the work that Father Burke has done may have to be done over again. How soon we can begin to do it over again, we do not know.

One of the tragic things about the present situation is that Father Burke came down to Mexico to prove to President Calles that it was desirable that President Calles deal directly with Rome because Rome would be wiser and more conciliatory than the Mexican hierarchy. I think he did succeed in convincing President Calles of that fact. Unfortunately, however, we were not able to find out whether Rome really desired to make the kind of an adjustment with the Calles administration which Calles was willing and able to make. Before Father Burke proceeds further along the line of the existing adjustment, I think it is only fair that he should know what the position of Rome actually is upon this question. President Calles is likely to be much more interested during the next few weeks in the vital problem presented to Mexico by the death of Obregon. Important as an adjustment of the religious controversy is to the future of Mexico, it is a minor problem here during the next few weeks. The problem of the succession is the vital problem.

I hope this letter will not seem too pessimistic. Political changes come quickly in Mexico. It is possible that the time may come sooner than we expect when the religious question can be taken up again. If that time should come it is imperative that those who seek an adjustment on behalf of the Church should know just what the ultimate authorities of the Church are ready to do. I feel that I have already pressed President Calles to a point which is perhaps beyond that to which his own judgment would lead him. I cannot afford to press him any further unless there is some reason for thinking that we are working to a practical end that the authorities of the Church really desire.

Sincerely yours,

DWIGHT W. MORROW

812.404/939 : Telegram

The Ambassador in Mexico (Morrow) to the Secretary of State

[Paraphrase]

MEXICO, *November 23, 1928—5 p. m.*
[Received 10:10 p. m.]

307. . . . Yesterday afternoon I had a long conference with President Calles at which we discussed the clerical issue.

I told President Calles that Archbishop Ruiz had now returned to Washington and had had a conference with Father Burke, that Father Burke was hopeful of bringing about a return of the clergy along the lines already discussed in the interchange of letters provided that some assurance could be given by President Calles and President-elect Portes Gil that discussions might later take place with regard to changes in the Constitution and laws. I asked President Calles whether he thought it would not be advisable for Father Burke, accompanied by such person or persons he desired, to come again to Mexico to discuss the matter fully with him before he went out of office.

President Calles replied that he thought it was inadvisable to take the matter up in the few days he would remain in office because it would hardly be possible for him to give at this time any further assurances than he had already given in the letters he had exchanged with Father Burke. The President stated, moreover, that in the present state of the public mind, particularly of many members of the Chamber of Deputies, it would be very difficult for Portes Gil to do anything to carry out any arrangement at the outset of his term.

I then asked President Calles whether he did not think it would be wise for Father Burke to come to Mexico in a month or two with such persons whom he might select to discuss the matter with Portes Gil or himself, or both, along the lines suggested above. President Calles answered that he thought there might be an advantage in Father Burke coming at such a time, but that would be a matter which Portes Gil would have to take the responsibility of deciding.

. . . During the discussion of the clerical issue President Calles spoke with calmness and with regret about the recent occurrences in connection with the trial of Toral.[50] The President also spoke in the highest terms of Father Burke and the efforts which he had made and was making.

I expect to be in Washington by December 9, at which time I can discuss the matter fully with all the interested parties.

MORROW

[50] José León Toral, implicated in the assassination of General Obregon.

REPRESENTATIONS TO THE MEXICAN GOVERNMENT REGARDING PROTECTION OF AMERICAN INTERESTS AT MANZANILLO FROM ATTACKS BY REVOLUTIONISTS

812.00 Colima/5 : Telegram

The Vice Consul at Manzanillo (Mall) to the Secretary of State

MANZANILLO, *May 25, 1928—10 p. m.*
[Received May 27—7:33 a. m.]

Three hundred and fifty revolutionists attacked Manzanillo yesterday morning, 7 o'clock. They actually entered and took possession of Manzanillo at 4 o'clock, afternoon. Three hundred and fifty Federal troops under command of Charis, Chief of Military Operations, accompanied by Governor of the State, arrived here a little after 4 and a heated battle took place, 12 hours' actual fighting. Revolutionists were repelled. Casualties not yet known. Consulate and staff and all Americans safe. Report by mail. Embassy informed.

MALL

812.00 Colima/8 : Telegram

The Vice Consul at Manzanillo (Mall) to the Secretary of State

MANZANILLO, *June 11, 1928—noon.*
[Received June 12—11:30 a. m.]

The following telegram has been sent the Embassy:

"June 11, 11 a. m. There are strong and persistent rumors that the revolutionists will again attack Manzanillo. Conversations had with reliable and well informed business men confirm the report. The revolutionists, according to my informants, will burn and destroy Manzanillo, having mentioned especially the plant of the Standard Oil Company. It is generally believed that the garrison established here is not sufficient to give absolute guaranty and protection. Please see Wilkinson of the Standard Oil Company at Edificio Cidosa. Would suggest that this be brought to the attention of Foreign Office. Please wire action taken. Department has been informed."

MALL

812.00 Colima/9 : Telegram

The Acting Secretary of State to the Chargé in Mexico (Schoenfeld)

WASHINGTON, *June 12, 1928—4 p. m.*

147. Reference telegram June 11, noon, from Consulate at Manzanillo, regarding revolutionary disturbances. Department assumes you will make suitable representations.

OLDS

812.00 Colima/18

The Chargé in Mexico (Schoenfeld) to the Secretary of State

No. 704 MEXICO, *June 21, 1928.*
[Received June 28.]

SIR: I have the honor to refer to the Department's telegram No. 147 of June 12, 1928, 4 p. m., relating to reported revolutionary disturbances at Manzanillo and requesting in substance that suitable representations be made to the end that American interests in that City be adequately protected.

Following the receipt of a copy of a telegram from the American Consul at Manzanillo dated June 11, 1928, 11 a. m.,[51] the Embassy addressed an urgent communication to the Foreign Office dated June 11, 1928, embodying the observations of the Consul as well as the observations of a representative of the California Standard Oil Company of Mexico, which Company owns a plant at Manzanillo representing $1,500,000.00 U. S. Currency. A copy of this communication is enclosed,[52] from which it will also be noted that the Foreign Office was also requested to take such steps as might be possible to protect the interests of the California Standard Oil Company at Manzanillo, as well as other American interests in that City. In reply to this communication, the Embassy is now in receipt of a letter from Mr. Sierra,[53] dated June 18, stating in substance that the Federal military authorities concerned had been advised telegraphically of the information contained in the Embassy's communication, to the end that adequate protection might be afforded the American interests in question.

I have [etc.] H. F. ARTHUR SCHOENFELD

DESIGNATION OF THE THIRD MEMBER OF THE GENERAL AND SPECIAL CLAIMS COMMISSIONS BY THE PRESIDENT OF THE ADMINISTRATIVE COUNCIL OF THE HAGUE TRIBUNAL

411.12P/402

Memorandum by the Under Secretary of State of a Conversation With the Mexican Ambassador (Téllez), April 10, 1928

The Mexican Ambassador came in at his own suggestion and stated that he had come on an unpleasant errand. He said his Government had just advised him that it had been unable to approve any one of the three names suggested by us to fill the vacancies of President of the Claims Commissions. He went on to say that

[51] See telegram June 11, 1928, noon, from the vice consul at Manzanillo to the Secretary of State, p. 336.
[52] Not printed.
[53] Chief of the Diplomatic Department, Mexican Ministry for Foreign Affairs.

his Government had great difficulty in getting any satisfactory information about these men. He gave me the impression that the results were simply negative. They could not find that the individuals in question were known as international lawyers, or as having any special qualifications for the work. He mentioned the fact that inquiry of the International Law Institute at The Hague elicited the response that these parties were unknown. I expressed considerable surprise at this result, and we discussed the possibility of going further with the investigation. I asked him whether it would do any good if we ascertained the sources of the information which had been passed on to us by our Ministers in Vienna and Budapest. The Ambassador said he did not know whether that would make any difference or not, but that he would be glad to transmit to his Government any further suggestions we had to make. He intimated that perhaps it would be best to leave the selection to the appropriate official at The Hague and I said that while this seemed to be a leap in the dark, it would look as if that might be the only course left open to us. He said he did not think his Government had any further suggestions to make. I finally told the Ambassador that we would reconsider the situation and communicate with him further.

R[OBERT] E. O[LDS]

411.12P/407a : Telegram

The Secretary of State to the Minister in the Netherlands (Tobin)

[Paraphrase]

WASHINGTON, *April 23, 1928—9 p. m.*

13. Department's telegram No. 3, dated January 18, 6 p. m.[55] Inasmuch as the United States and Mexico have failed to agree upon the person to be appointed Presiding Commissioner of the General and Special Claims Commissions, United States and Mexico, it is necessary to resort to the alternative procedure as provided in the two claims conventions. The Department instructs you, therefore, to confer immediately with the Mexican representative in the Netherlands, and, in concert with him and in the name of the Government of the United States, to request the President of the Permanent Administrative Council of the Hague Tribunal described in article 49 of the convention for the pacific settlement of international disputes, concluded at The Hague, October 18, 1907,[56] to designate the third member of the General and Special Claims Commissions, which were constituted pursuant to the two claims conventions be-

[55] Not printed.
[56] *Foreign Relations*, 1907, pt. 2, pp. 1181, 1191.

tween the United States and Mexico signed September 8, 1923, and September 10, 1923.[57]

The United States and Mexico have agreed that the same person shall serve as the third member of each of the two Commissions. You should make this fact clear to the President of the Permanent Administrative Council.

You may find the following information of assistance in discussing the matter: Hearings before the two Commissions will be held in Washington and Mexico and will probably occupy the greater part of each year of the Commission's duration. Transportation expenses to and from his home will be allowed the Commissioner, and in addition he will receive a suitable annual honorarium, which in the case of each of the former incumbents was $15,000. In view of the combination of the two positions the United States would be willing to increase that figure materially. There is no reason to believe that Mexico would object to such an increase. In addition, the Commissioner will be entitled to a per diem allowance of $15 in lieu of subsistence during his absence from his home on business of the Commission. The United States would be pleased to have the new Commissioner assume office this spring since it is desirable that the work of the Commission be resumed as promptly as possible.

Please telegraph the Department regarding any action taken by you pursuant to this instruction, and, as soon as the President of the Permanent Administrative Council shall have designated a person, telegraph his name, together with a biographical sketch suitable for release to the press. The announcement of the person designated should be made by the two interested Governments, rather than at The Hague.

It is the understanding of the Department that the Government of Mexico has cabled, or will cable, appropriate instructions in the premises to your Mexican colleague.

KELLOGG

411.12P/408 : Telegram

The Minister in the Netherlands (Tobin) to the Secretary of State

[Paraphrase]

THE HAGUE, *April 26, 1928—11 a. m.*

[Received April 26—7:52 a. m.]

17. Department's 13, April 23, 9 p. m. Foreign Minister[58] has accepted.

TOBIN

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[57] *Ibid.*, 1923, vol. II, pp. 555 and 560.

[58] The Netherlands Minister for Foreign Affairs acts as President of the Permanent Administrative Council. See art. XLIX of the convention of October 18, 1907, *ibid.*, 1907, pt. 2, p. 1191.

411.12P/417 : Telegram

The Minister in the Netherlands (Tobin) to the Secretary of State

THE HAGUE, *June 16, 1928—11 a. m.*

[Received June 16—9:55 a. m.]

31. Department's [*Legation's*] 27, June 11, 4 p. m.[59] Minister of Foreign Affairs notified me today he has designated as President General, Special Claims Commission, S. K. Sindballe, Danish subject, professor, University of Copenhagen, vice president of Danish Association for International Maritime Law, vice president of International Law Association, president of the Administrative Council of the Handels Bank and commissioner for Spitzbergen since 1925.

He was formally [*formerly?*] Minister of Justice, Danish representative at Conferences on Maritime Law at Brussels 1922 and 19[26].

TOBIN

411.12P/417 : Telegram

The Secretary of State to the Minister in the Netherlands (Tobin)

WASHINGTON, *June 16, 1928—2 p. m.*

27. Your 31, June 16, 11 a. m. On behalf of this Government please express to Minister of Foreign Affairs appropriate appreciation of action taken.

KELLOGG

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[59] Not printed.