MEXICO

UNITED STATES POLICY OF NONINTERVENTION IN THE MEXICAN PRESIDENTIAL CAMPAIGN

812.00/1-746

The Ambassador in Mexico (Messersmith) to the Assistant Secretary of State for American Republic Affairs (Braden)

MEXICO, D.F., January 7, 1946.
[Received January 16.]

DEAR SPRUILL: I am sending you herewith a copy of my despatch no. 27,889 with further reference to Lombardo Toledano’s statement that imperialistic interests in the United States are smuggling arms to Mexican Sinarquis in order to foment revolution. In this despatch I report the press reaction to the statement from Washington made by the Department, and authorized by the Mexican Government to the effect that they had made a thorough investigation and found no basis for the statements made by Lombardo in his December 16th speech. It will be noted from the despatch that the press reaction was inadequate and that El Nacional, which is the semi-official government newspaper here, did not even publish it and that El Popular, which is Lombardo’s paper, also did not publish it. The other newspapers in Mexico City carried it but did not give it the display which the circumstances warrant.

The reason for this, I believe, is quite obvious. There has been this terrible incident at León where troops shot on innocent protestants and there was really a small-scale massacre. Some 50 in the crowd were killed and over 500 wounded and most of them in the back. The Government is in an increasingly embarrassing position. While Lom-

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1 Not printed.
2 Vicente Lombardo Toledano, President of the Confederation of Workers of Latin America (CTAL). According to a memorandum on the Communist movement in Mexico, transmitted in Embassy’s despatch 1074, September 5, 1946, speeches made by Lombardo Toledano revealed strict adherence to principles of Marxism and Leninism, intense devotion to the objectives and foreign policies of the Government of the Soviet Union, and strong anti-United States sentiments. (812.00B/9-546).
3 The anti-communist Sinarquistas were described in despatch 2,167, December 11, 1945, from Mexico, as the principal groups to keep alive all the traditional Mexican anti-American sentiments and to distort facts, thus encouraging uninformed people to express anti-American opinions (711.12/12-1146).
4 For a press release of January 5 on investigation by the Mexican Government of charges against American firms, see Department of State Bulletin, January 6 and 13, 1946, p. 39.
bardo is not a member of the Government he is supporting the government candidate for the Presidency and for the Mexican Government to have had to take the action that it has done has been a very difficult thing for it and is causing it a good deal of uneasiness.

The León incident on top of this is exceedingly embarrassing to the Government and to the supporters of Alemán. I do not think that the Government had anything to do with ordering the shooting on the crowd at León, but the officer in charge there thought he was doing what he was expected to do when he permitted or ordered his men to shoot on these innocent people.

I have no definite knowledge that there was any instruction to the newspapers to soft-pedal the reply of the Mexican Government to us to the effect that its investigation had shown that there was no basis for Lombardo's statement but knowing how things are done here, I would not be surprised, and I am inclined to believe, that some indication was given to the press to soft-pedal the statement.

With all good wishes,
Cordially and faithfully yours,

GEORGE S. MESSERSMITH

$12.00B/1-1246

The Ambassador in Mexico (Messersmith) to the Chief of the Division of Mexican Affairs (Carrigan)

[Extracts]

SECRET

MEXICO, D.F., January 12, 1946.
[Received January 17.]

DEAR CARRIGAN: I wish to refer to my letter of January 10, 1946,* with which I sent you a clipping from La Voz de Mexico of the issue of January 9, in paragraph (7) of which the Communist party and this paper state that the Government of the United States should be petitioned that I be removed and replaced by a proven partisan of democracy and of the Good Neighbor policy, as there exist accusations against me to the effect that I am working with the Sinarquists and that these accusations are based on "confessions" of Sinarquists.

I also wish to refer to a Communist meeting which took place in Mexico City on the evening of December 21, during which meeting a Communist speaker made an attack against the United States and against me, stating that I should be removed, etc.

I am bringing all the foregoing together because it is an indication of the definite Moscow and Communist interest in attacking us here in

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* Miguel Alemán.
* Not printed.
Mexico, and of course one of the most natural ways is to attack me. There is a good deal of resentment here in Mexico over these Communist attacks on me, and over the statements which Lombardo has made in private against me but has so far not dared to make regarding me in public. The extreme Communist interest in holding meetings recently in which we are always attacked, and the English in the second place, and in which I am attacked, is significant because it is an indication of the interest which Soviet Russia has in sowing discord in Mexico and in Latin America, and in developing resentment against us. We can’t escape the fact that Soviet Russia does not like inter-American collaboration and they want to break up this collaboration between Mexico and the United States, for they consider Mexico a key country in this whole American picture.

I think I should tell you that there is a great deal of resentment here, even among people who are not particularly my personal friends, over these attacks and this mention of my being recalled. . . .

. . . I think the feeling is put in the most succinct form in a statement of the President of Mexico to a close friend the other day when they were undoubtedly discussing these attacks on me by Communists and Lombardo, and when the President said “I know the history of my country and I know the actuation of American Ambassadors here and I know the actuation of the present Ambassador, and I am convinced that Mexico has never had a more sincere friend in the American Embassy, or a person more understanding of every phase of Mexico’s life”. . . .

With all good wishes,
Cordially and faithfully yours, George S. Messersmith

S12.00/1-1246
The Ambassador in Mexico (Messersmith) to the Acting Secretary of State

SECRET

Mexico, D.F., January 12, 1946.
[Received January 17.]

[Extracts]

Dear Dean: In a series of despatches we have continuously kept the Department informed concerning the developments in the electoral

Ambassador Messersmith reported in Despatch 28,102, January 29, that an article planned for publication on January 26 by La Voz de Mexico, the Communist newspaper in Mexico City, attacking him and the American Embassy had not been published, because, according to the editor, he had received a letter from the Mexican Ministry of Gobernación warning him not to publish any articles of criticism against any diplomatic mission or Chiefs of Mission in Mexico (S12.00/1-2946).
situation in Mexico, in view of the importance of the presidential election this year.

The term of the President in Mexico is six years, and the term of President Ávila Camacho expires in December 1946. The election is to be held on July 7, 1946.

It has been a very difficult matter for this Embassy and for our Government to be kept out of this electoral struggle but it is absolutely essential. There is no question that we have a very definite interest in the outcome of this election, but we are entirely powerless in the matter. The type of man who is elected as President of Mexico will determine the course of events internally for years to come. It will determine the course which Mexico will take in her relationships with us and in the world picture.

The most serious danger in the election of Alemán is that if he is elected, Lombardo and the extreme Left elements in Mexico will claim the credit for his being so, and, as they are the strongest and most resourceful and vociferous elements, it is easy to foresee who would be guiding Mexico's internal and external policies. The close connection between Lombardo and Soviet Russia is daily more obvious. The interest of Soviet Russia in the Mexican elections is indicated by recent Soviet broadcasts from Moscow which have been reported to the Department and in which developments in the Mexican situation are completely misrepresented. Soviet Russia professedly stands for the masses and the expression of the will of the masses, but these broadcasts from Moscow try to make it appear that the León massacre was due to the attack of Fascist elements on the Government. If we are not taking any interest in the Mexican elections, there isn't any doubt that Soviet Russia is.

Considerable pressures have been brought on American firms here to make contributions to the Alemán campaign, but I have taken the position quietly and unobtrusively, and American firms have taken the position that they cannot contribute to either side.

... this election is of such tremendous importance to us. There is no doubt that Alemán believes that good relations with the United States are necessary, and he knows that he needs our support in many ways for his presidency to be a success. ... The one thing that we can do is to make it clear that we stand for free elections everywhere
just as we do in Rumania and Bulgaria, and just as we do in the Argentine. If we make it clear at appropriate times, in statements which have no specific reference to Mexico but which can be so worded that their implication will be readily understood here, that we are interested in free elections and the will of the people being given effect everywhere, it will have a very strong effect and in the right direction in this country, and no exception can be taken to such statements. We haven’t hesitated to say freely and definitely how we feel about the situation in Bulgaria and Rumania, and we have made clear our opposition to imposition there. We have made clear, and properly so, our attitude with respect to the Argentine. While I do not think we can be as specific with respect to Mexico at this time as we have been with respect to those countries, or at least I do not believe it would be advisable at this time, I must tell you frankly that there is a growing opinion among thoughtful people here that we seem to be too complacent about this situation in Mexico. They don’t want us to interfere but, at the same time, they want us to make our principles clear, and I think the worst thing that can happen is for the impression to get currency here in Mexico that no matter who is elected and that no matter how he is elected, and no matter how he may be imposed and no matter how the will of the people is thwarted, we will accept such a situation and recognize such imposed candidate. That is more or less the feeling here now—that no matter what happens, we will recognize the status quo and the imposed candidate. I am giving careful thought to this situation because, as I have said so many times, very real issues are at stake so far as we are concerned, as well as Mexico, in this election. I should like to repeat that the wrong kind of man in the Mexican presidency can completely change the internal situation in Mexico, can and will change her orientation in external affairs to our disadvantage and hers, can tremendously influence developments in all of the other American Republics, and can greatly complicate our problems in this Hemisphere and in the rest of the world. . . . If there is a free election, we need have no fears, because the candidate elected will not be one who is committed to a policy so contrary to all that we stand for in the world picture today.

I would appreciate your bringing this letter to the attention of the Secretary on his return from London, and I think it would be advisable that the Secretary or you, at a convenient opportunity, give the President a brief statement of my present estimate of the situation.

With all good wishes,

Cordially and faithfully yours,

GEORGE S. MESSERSMITH
WASHINGTON, February 13, 1946.

Dear George: Thank you very much for your letter under date of January 12, 1946, in which you review the Mexican political situation and our relationship to it. . . .

There are certain principal points that have occurred to us upon careful study of your letter and of certain subsequent developments which you have reported in other communications.

(1) [Here follows comment on the incident at León, Guanajuato, as it concerned the Mexican political situation.]

(2) The belief which you state prevails in Mexico that, no matter what happens, irrespective of the methods used in the elections, we will necessarily recognize any imposed winner may yet force us into taking some steps to clarify our position.

We have of course in many recent speeches made our position perfectly clear. In part, it was contained in essence in the paragraph of our secret circular of November 1, 1944, respecting:

"the self-evident truth that the Government and the people of the United States cannot help but feel a greater affinity and a warmer friendship for these Governments which rest upon the periodically and freely expressed consent of the governed."

The rest of the position may be stated, in brief, as our firm feeling that these political matters are purely domestic to Mexico, and that we have no right, nor intention, to take any part therein. Nevertheless, it would be unfortunate to have to make a statement of this sort pointed at Mexico.

(3) While the Department has made clear its position with respect to contributions being requested of or being made by firms owned by American citizens, it appears from your letter that contributions may have been made by certain Americans, even though these may be few in number.

As you are aware, we feel very strongly that no American citizen or company should be permitted to make campaign contributions or otherwise to intervene in domestic Mexican political affairs. We should accordingly welcome your suggestions in regard to handling the cases of those few irresponsible individuals who may be currently involved—whether by reiterating our stand in a public speech, issuing an Embassy press release, calling in the individuals in question, or otherwise.

With many thanks for your letter, believe me,

Sincerely yours, Dean Acheson

* Not printed.
Memorandum of Conversation, by the Chief of the Division of Mexican Affairs (Carrigan)

secret

WASHINGTON, February 19, 1946.

Participants: Assistant Secretary Spruille Braden
Mexican Ambassador Espinosa de los Monteros
John Carrigan, MA

Ambassador Espinosa de los Monteros called, at his own request, on Mr. Braden at 5:30 today.

He started out the conversation by referring to the fact that 1947 would be the hundredth anniversary of this country’s war with Mexico. He said that this would be a critical year in view of the general political situation in Mexico and the wartime betterment of relations with this country, since we were at a crossroads which would either bring about a continued improvement in our relations or a deterioration. He said that he had noticed that in similar circumstances, in history, an unwritten agreement appeared to have been entered into by the two countries concerned whereby they approached such anniversaries on an identical basis: they either made mutual attempts for emphasizing the anniversary or for playing it down. He expressed his opinion that Mexico and the United States should make such preparation. He said that, irrespective whether we decided to play it up or to play it down, the opening gun of the year would be the inauguration of the next administration on December 1. He referred to Mr. Carrigan’s conversation with Counselor Sánchez Gavito of the Embassy a few hours before, in which Mr. Carrigan, with Mr. Braden’s permission, had told Mr. Sánchez Gavito of the contemplated abandonment of the practice of naming special ambassadors for inaugurations in this hemisphere. He said that, while he was completely in agreement with the technical wisdom of such a step and while he appreciated that it was exceedingly delicate for him to make any suggestions in this connection, he nevertheless felt so strongly about this anniversary year that he did wish Mr. Braden to know how vital he felt it would be for such a special ambassador to be appointed in the case of the inauguration in Mexico. He said that he was sure that Ambassador Messersmith was so good a friend to Mexico that he would himself be the first to agree with such a recommendation.

He said that, if a special ambassador were not so named, it would be taken as a definite break with the new administration, and that even the publication of the decision at this time would be taken as significant of a deterioration in our common relations. Mr. Carrigan pointed out that he understood there was at least one other inaugura-
tion between now and December 1 and that it occurred to him that the edge of this matter might be taken off by this previous inauguration. The Mexican Ambassador said that he was perfectly certain that our decision would be interpreted in Mexico as having a bearing on the Mexican political situation; he remarked that it must be realized that there were those in Mexico who were seeking every opportunity to foment difficulties between the two countries and that they would jump at this opportunity to make statements misinterpreting our real position for their own ends.

Mr. Carrigan said that it was also possible, in view of Leftist attacks upon our Embassy in Mexico City, that these same elements might seize upon the naming of a special ambassador as warrant for maintaining that the Government of the United States is not in sympathy with its Embassy. The Mexican Ambassador said that any person in political life was always subjected to attack; he cited an article in Time of February 11 attacking the wife of the President of Mexico. He then reverted once more to his earnest opinion that 1947 represented a very serious crossroads in our common history; that the opening gun was the inauguration in question; and that he earnestly hoped that we would find it possible to name a special ambassador for the inauguration in Mexico City.

Mr. Braden assured the Mexican Ambassador of his appreciation of the problems which the Mexican Ambassador had brought up and assured him that we would give this matter every consideration.\(^9\)

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***John Willard Carrigan***

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**Memorandum by the Chief of the Division of Mexican Affairs (Carrigan)**\(^10\)

**Washington, June 25, 1946.**

**USA AGAIN BEING BROUGHT INTO THE MEXICAN ELECTORAL PICTURE**

Over the past few months, and since Lombardo Toledano’s unwarranted allegations concerning arms-running, the USA has, relatively speaking, not been mentioned in the Mexican electoral campaign leading up to the July 7 Presidential elections.

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\(^9\) For a Department of State press release of November 7, 1946, concerning President Truman’s appointment of Mr. Walter Thurston as Special Ambassador for the Inauguration of the new President of Mexico on December 1, see Department of State Bulletin, November 17, 1946, p. 919.

\(^10\) Addressed to the Assistant Secretary of State for American Republic Affairs (Braden) and to the Director of the Office of American Republic Affairs (Briggs).
Recently a statement was made by Padilla \(^{11}\) which was interpreted by his opponents to imply that the United States should supervise or otherwise verify the legality of the forthcoming elections.

Padilla, in essence, only said that we would have the right to make up our own minds whether or not to recognize the announced result of the elections. This was carefully blown up by the opposition to Padilla to the allegation Padilla wanted to turn Mexican electoral procedure and sovereignty over to the USA.

There is no need for any comment on our part, and, for that matter, any comment would be misinterpreted. However, if any specific questions are asked I believe we should say that Mexican elections are Mexico’s business, likewise United States policy is United States’ business.

JOHN WILLARD CARRIGAN

812.00/6-1946

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

CONFIDENTIAL

WASHINGTON, July 8, 1946.

No. 50

Sir: Receipt is acknowledged of your despatch no. 18 of June 19, 1946, \(^{12}\) regarding the conversation you had with Dr. Ezequiel Padilla and his request that you speak to President Avila Camacho, expressing the interest of the United States in free and fair elections in Mexico.

The Department approves of your reply to Dr. Padilla to the effect that you could not take the action he requested. However, if in private conversation the President should make reference to his remarks regarding the election, you are authorized, in your discretion, to express to him this Government’s continuing interest and hope that the authority of all governments be derived from the will of the majority of the people through regularly and freely expressed fair and democratic processes.

Very truly yours,

For the Acting Secretary of State:

SPRUILLE BRADEN

\(^{11}\) Presidential candidate Ezequiel Padilla (former Mexican Minister for Foreign Affairs). According to a memorandum of July 1, 1946, by the Divisional Assistant of the Division of Mexican Affairs (Hughes): “Alemán is backed by the Government, Lombardo Toledano, labor, and other leftist elements; Padilla by the more conservative groups. Alemán has been attacked by his opponents as a tool of the Communists, while Padilla has been accused as being a tool of the United States, to which his opponents say he ‘sold out.’” (812.00/7-146)

\(^{12}\) Not printed.
DISCUSSIONS OF THE PROBLEM OF LEND-LEASE OBLIGATIONS OF MEXICO TO THE UNITED STATES

812.24/5-246

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

No. 29,319

Mexico, D.F., May 2, 1946.

[Received May 8.]

Sir: I have the honor to inform the Department that on the evening of April 26, 1946, the Minister of Foreign Relations of Mexico, Dr. Castillo Nájera, requested me to call at the Ministry. He said he wished to discuss the Lend-Lease obligations of Mexico towards the United States. He then went on to read me the text of a memorandum which he had prepared covering a conversation which he had had recently in Washington with President Truman and with Secretary Byrnes. It will be recalled in this connection that Dr. Castillo Nájera recently spent some weeks in the United States to attend the meetings of the Security Council in New York City and later several days in Washington during which time he had this conversation with President Truman and Secretary Byrnes. Dr. Castillo Nájera said that under instructions of the President of Mexico he had taken this opportunity to discuss the Lend-Lease obligations of Mexico.

The memorandum which Dr. Castillo Nájera read to me was a relatively long one. It went on to refer to the original Lend-Lease agreement between Mexico and the United States. It then went on to refer to the circumstances surrounding the second Lend-Lease arrangement, in which the amount available for Lend-Lease to Mexico was considerably increased. The memorandum covered the conversations which Dr. Castillo Nájera had had with the late President Roosevelt but more particularly the conversation with former Under Secretary Welles. In the memorandum Dr. Castillo Nájera specifically states that when the second Lend-Lease conversations took place, primarily with then Under Secretary Welles, he desired to fix the total amount at $71,000,000.00; that Dr. Castillo Nájera as the then Mexican Ambassador in Washington stated that Mexico could not undertake an obligation in that amount as she could not possibly

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13 For previous documentation on Mexican lend-lease, see Foreign Relations, 1943, vol. ix, pp. 1109 ff.
14 Signed March 27, 1942; for text, see Foreign Relations, 1942, vol. vi, p. 485.
15 Agreement of March 18, 1943; for text, see Foreign Relations, 1943, vol. vi, p. 397.
repay it; and that then Under Secretary Welles stated that it made little difference what the amount stated was or what amount might be used under the agreement as Mexico would not be requested to repay it. The memorandum goes on to recite that in spite of this statement of then Under Secretary Welles, Dr. Castillo Nájera as the Mexican Ambassador in Washington indicated that the amount should be set for a smaller sum.

The memorandum then sets forth that this information was conveyed to President Truman and to Secretary Byrnes by Dr. Castillo Nájera during the conversation recently, under reference, and that President Truman stated that this was the first time that he had heard anything about the matter and turned to Secretary Byrnes and asked him what he knew about it. The memorandum states that Secretary Byrnes replied that he knew nothing about the matter but would inform himself.

The memorandum then goes on to state that after leaving the White House, Secretary Byrnes indicated to Dr. Castillo Nájera that while he would go into this matter he thought it was desirable that the Mexican Ambassador in Washington should be authorized to discuss this matter with Assistant Secretary Clayton in the Department of State who had matters of this kind particularly under his consideration and the memorandum further states that the Mexican Ambassador then indicated that this would be done.

The Department will note that the foregoing is a brief résumé of the memorandum which Dr. Castillo Nájera, the Mexican Foreign Minister, made of his recent conversation with President Truman and Secretary Byrnes for the President of Mexico and which he read to me but of which he did not furnish me a copy.

Dr. Castillo Nájera then went on to say that he had presented this memorandum to the President of Mexico and that appropriate instructions would be sent to Mr. Espinosa de los Monteros, the Mexican Ambassador in Washington, to discuss this matter with Assistant Secretary Clayton. Dr. Castillo Nájera said that Mexico was desirous of meeting these obligations which she had undertaken but he saw no way that she could do so. There were other obligations which she had which were considered of greater importance to meet and that sometime in the future Mexico might be able to meet these obligations but presently she could not. He then referred to the notes which the Mexican Embassy in Washington had been receiving from the Department of State with regard to the installments due and said that the Mexican Government had made no reply thereto as it was in a very embarrassing position, and it was in order to present the Mexican situation that he, under instructions of the President of Mexico, had
sought this conversation with President Truman and Secretary Byrnes. He said that the President of Mexico had asked him to inform me of the foregoing.

I then went on to say to Dr. Castillo Nájera that while Licenciado Padilla had been Foreign Minister of Mexico the question of these installments due on the Lend-Lease obligations of Mexico had arisen in an informal way just as it had arisen in an informal conversation with him (Dr. Castillo Nájera) some time ago. I said to the Minister that he would recall that I had said in an entirely informal way to Licenciado Padilla and to him that I had no information of a definite character with regard to the ultimate attitude of our Government on these Lend-Lease obligations of the American Republics but that I had in various communications to my Government informed it that, in my opinion, these Lend-Lease obligations of the other American Republics should be canceled as a matter of equitable treatment and in view of the inability of these Republics to pay in anything like the foreseeable future the whole or a considerable part of these Lend-Lease obligations. The Minister asked whether in his instructions to the Mexican Ambassador in Washington he could mention that I had approached the Department of State on this matter and made recommendations with respect to the Lend-Lease obligations of the American Republics. I said to the Minister that as my recommendations were a matter of record in the Department of State, I saw no reason why the Minister and the Mexican Government should not know of what recommendations I had made.

The Foreign Minister then went on to speak of the financial situation of the Mexican Government of the desire which it had shown to put its financial house in order, of the very successful action that it had taken in recent years to put its house in order. He spoke of the difficulty in raising increased revenues for the Government and of the demands of the social programs which the Mexican Government had to carry through. He reiterated that the Mexican Government had undertaken to pay the appropriate part of the amount of Lend-Lease deliveries as fixed in the Lend-Lease agreements but that presently the Mexican Government was not able to make such payments and continue to carry through its payment on other external obligations and its internal programs which were necessary to the stability and to the development of the country. I said to the Minister that I personally had, out of the very full knowledge which I had of the Mexican economy and the Mexican situation, an understanding of this situation but that I naturally could not make any observations further than that I would continue to make certain recommendations to my Government in the same sense that I had already done.
[Here follows a review of Ambassador Messersmith’s recommendations on lend-lease made to the Department in 1945 communications.]

Since I made this recommendation in the communications mentioned in this despatch that the Lend-Lease obligations of the other American Republics should be canceled, the world situation is even more somber than it was at the time. While I am one of those who still have confidence in the ultimate success of the World Security Organization I still remain one of those who believe, as I did from the outset, that the keystone of our security and defense in this hemisphere lies in the closest collaboration in the political, economic, social and defense field among the countries of this hemisphere. I also maintain that there is no inconsistency between such close collaboration between the countries of this hemisphere and a world security organization. This latter idea seems to be now definitely accepted in principle but in practice it has not yet been adequately implemented.

In the meantime, it is my understanding that the Joint Chiefs of Staff of our Armed Forces have made a very clear and definite statement to the effect that the closest collaboration among the countries of this hemisphere is the keystone of our security and defense. Among every one of the American Republics, as in our own country, there is fully understood this need for collaboration in every field including the defense field among the American Republics. If there is lack of understanding of the importance of this collaboration in every field in certain sections of Government in our country and of certain others of the American countries there is no lack of understanding of it among the people of the United States or of the other American Republics, and the world situation is so grave that under no circumstances can Governments deceive the legitimate aspirations of the people of this hemisphere with respect to the appropriate measures of our security, our defense, and our peace. It is usually necessary for Governments to lead the peoples in the molding of public opinion in matters so basic as this. It is an interesting thing that at this time, it is the peoples of the American Republics who are more advanced in their thought than certain circles in Government in some of the American Republics.

The basis of the sound conduct of foreign relations must be that of equity and understanding as well as collaboration for without equity and understanding there cannot be collaboration. It would be most unwise to conceal from ourselves that there has been a deterioration in the American picture. The basic sentiment for collaboration among the American Republics and recognition for the necessity for our leadership has never been greater. This is true among the peoples of every one of the American Republics including our own. There is, however, a certain sense of deception. There is a feeling that in the economic field we have kept in mind more the needs
of other areas of the world than we have the needs of the American Republics. There is a widely-spread feeling that in economic decisions we permit ourselves to be influenced by certain internal considerations rather than those based on equity and collaboration. This applies particularly to the handling of certain commodity problems such as sugar and coffee and tin. There is the feeling that so far as the defense arrangements are concerned, we are not adequately realistic in recognizing the impoverished condition of the other American Republics for the most part, the still relative instability of their economies and, therefore, of their political structure. There is the feeling that although democratic processes are making progress in all of the American Republics we expect them to have grown up faster than is possible and do not take into account adequately political and economic and social factors which these countries in their relative measure have to struggle with day by day.

So far as Lend-Lease is concerned, the other American countries know that there was returned Lend-Lease from Britain in particular. They know that, however, for most of the countries to which Lend-Lease assistance was extended, not only in the form of military material but in the form of food and medical supplies and all sorts of materials no return of any kind has been received or will be expected. The other American countries feel that although they were not actively engaged in the war as were some of the countries which received Lend-Lease assistance that the assistance which was rendered under Lend-Lease in this hemisphere was particularly in the form of military material which was essential to give morale to their Armies and military establishments and to their people. They feel that the total amount of Lend-Lease assistance for such military material which was extended was small and really insignificant as compared with the Lend-Lease extended to other countries in more distant parts of the world. They feel that as a matter of equity they should not be asked to pay for this Lend-Lease material.

It should be borne in mind that the American Republics have not expressed this thought openly and in most cases not officially. Some of them have endeavored to meet their installments. Brazil has met her installments in considerable measure, but it will also be recalled that the overwhelming part of the total of Lend-Lease extended to the American Republics went to Brazil which received more than all of the other American Republics together. Even in the case of Brazil, although she has made these payments, I am sure that if Brazilian opinion is properly consulted it will be found that Brazil feels that the amounts which she has already paid should be refunded and that the total amount should be canceled for her as for the other American Republics. It is not a thought which Brazil would ad-
vance unofficially or officially at this time, but it would be most un-
wise for us not to recognize that this is the actual thought of the
peoples and Governments of every one of the American Republics.

Now that the Mexican Ambassador is going to receive instructions
to discuss this matter with the Department of State, this matter is
coming up for consideration by our Government and will have to
have it. It is for this reason that I have referred in this despatch to
the previous despatches which I have written on this matter and am
writing this despatch. I think that in our conversations with the
Mexican Ambassador or with any other Government of the Ameri-
can Republics we must be most careful to avoid the implication that
we are not at least considering cancellation. Any attempt to state
that it is equitable to ask them to pay these obligations will be most
unhappy and cause us very serious damage. I wish at this point to
state that while I do not recall having discussed this matter of Lend-
Lease obligations of the other American Republics with then Under
Secretary Welles, I do recall a conversation with the late President
Roosevelt during the course of which these Lend-Lease obligations
came up and during which I stated that I thought as a matter of equity
we would not in the end have to ask these Republics to repay these
obligations. I do not recall the exact words of the late President
Roosevelt, but I do recall in the most definite way that he dismissed
the matter as one which was certain—that is in the sense that the
American Republics would not be asked to repay these Lend-Lease
obligations any more than we would expect repayment of the Lend-
Lease obligations of the other many countries to which it had been
extended. I do not refer more specifically to this conversation with
the late President Roosevelt because I do not adequately definitely
recall the terms in which he spoke, but I do recall his reference to
our experience with the debts after the First World War and that
we must avoid the unhappy consequences which grew out of some of
our attitudes in that connection.

I also wish to note that the Mexican Foreign Minister, Dr. Cas-
tillo Nájera, in the memorandum which he read to me of his conver-
sation with President Truman and Secretary Byrnes stated that both
indicated that they had no knowledge of this matter. I think it is
quite understandable that in view of the many occupations of the
President and of the Secretary that this matter may not have been
taken up with them by the appropriate officers of the Department but
in view of the extreme importance of the matter, I think it is essential
that full consideration in the broad light of the basic factors involved
be given to the matter now. It can no longer be delayed.

We are interested in a defense pact among the other American Re-
publics. The people of our country are interested in it. The people
of every one of the American Republics are intensely interested in it. The Governments of most of the American Republics, I believe all, even the Argentine, are interested therein. The military establishments of our own country and of the American countries have shown their understanding of the need thereof. I wish to express the considered opinion that it is useless for us to think of a defense pact which will have any more meaning than a piece of paper and pious declarations if it is not supported by the most realistic attitudes in the political and economic field as well as in the defense field and this means full implementation of inter-American policy in every field. One of the fundamental factors which we have to overcome is that presently in, I believe, every one of the American Republics there has been a growing feeling and there is now almost a conviction that we as a Government are more interested in more distant parts of the world than we are in this hemisphere and that other parts of the world can expect more equitable and understanding treatment than can the countries of this hemisphere. It is obvious that this impression must be removed in the political, economic, and defense field if inter-American unity is to mean anything and to be the bulwark of security and defense and peace that we all recognize it has to be.

There are many things to be considered in the implementation of this policy, but I confine myself in this despatch to the one phase which is, in my opinion, imperative necessity of our taking action in the near future leading towards the cancellation of the Lend-Lease obligations of the American Republics. I am confident that the American people, if properly informed, will not only be in complete accord with but will applaud such action as understanding and equitable. I am confident that if the matter is brought to the attention of the Congress that there will be the most complete understanding there and that any other course will be considered inequitable and completely lacking in understanding of our primary interests. It is a matter in which, because it is a matter of relationships, the Department of State must take the initiative. The initiative does not belong in any other agency of the Government. It belongs in the Department of State and the time has now come for us to take that initiative.

What I wish to emphasize particularly is that this matter is not one which can be dealt with by technicians or by financial experts or on legal grounds. It has to be dealt with from the broad basis of national policy, national security and national interest and at the highest levels of Government. It is a decision which has to be made at the highest levels of Government and a decision in which the preliminary advice of technicians is not necessary and can only lead to hampering discussions which will in no way change the ultimate decision but such
discussions can do much harm to the basic interests of our country. I have long served our Government, and I hope faithfully and constructively. It is for this reason that I bring so strongly to its attention this matter of immediate consideration and attention to the question of cancellation of Lend-Lease obligations of the American Republics. In the case of those Republics which have made small or fairly substantial payments such as Brazil, there is no reason why reimbursement in one form or another based on discussions with that country may not be made.

Respectfully yours

GEORGE S. MESSERSMITH

The Assistant Secretary of State for American Republic Affairs (Braden) to the Mexican Ambassador (Espinosa de los Monteros)¹⁶

WASHINGTON, July 2, 1946.

MY DEAR TONY: I refer to our conversation of Friday, May 3, in my office in the Department regarding the matter of the payment of Lend-Lease furnished Mexico under the agreements executed in 1942 and 1943. A very careful and exhaustive search has been made of the record of the negotiations covering these agreements, and neither the record nor the recollection of those engaged in the negotiations indicate any intention to waive the payments set forth in the agreements, nor that such payments were to be made from reparations due or received from the former Axis powers.

All of the Lend-Lease agreements with the American Republics were of substantially the same tenor, and payments due under the agreements have been received regularly from most of them over the past few years.

Sincerely yours

SPRUILLE BRADEN

The Acting Secretary of State to the Mexican Ambassador (Espinosa de los Monteros)

WASHINGTON, October 1, 1946.

EXCELLENCY: I have the honor to refer to recent conversations between Your Excellency and the Assistant Secretary of State for American Republic Affairs concerning the Mexican lend-lease account. In this connection I transmit herewith two copies each of statement

¹⁶ Handed by Assistant Secretary Braden to the Mexican Ambassador on July 8, 1946.
LL-8 and supporting schedules. This statement reports charges made against the Government of Mexico for the period from December 1, 1945 through February 28, 1946 for matériel transferred in accordance with the terms of the Lend-Lease Agreement signed on March 18, 1943 by representatives of the Governments of the United Mexican States and the United States of America.

It will be noted that the amount of charges during the period under reference is counterbalanced by credits to the net amount of $278,480.54 credit, and that charges through February 28, 1946 aggregate the grand total of $26,476,091.84. Of this grand total the sum of $6,600,000 represents the appropriate percentage of reimbursement which is currently due on account under the terms specified in numbered paragraph 2 in the exchange of notes, dated March 18, 1943, referred to in Article VI of the Agreement.

It is requested that the enclosed statement and supporting schedules be treated by Your Excellency's Government on a most confidential basis.

Accept [etc.]

For the Acting Secretary of State:

SpraUille Braden

812.24/9-1246

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

No. 602 Washington, November 26, 1946.

Sir: I refer to your despatch No. 1167, dated September 12, 1946, concerning the possibility of applying Mexico's lend-lease obligation to the purchase of property and construction of buildings for the American Embassy in Mexico City, and to Ambassador Messersmith's despatch No. 29319, dated May 2, 1946, from Mexico, on the general subject of the Mexican lend-lease obligation.

It is the established policy of the United States Government to continue to require payment in full of sums due on account under the lend-lease agreements with the American republics. This is a definite policy which has been specifically reaffirmed and is not being considered for revision. It applies and will continue to apply in the case of Mexico.

In regard to Ambassador Messersmith's despatch concerning the Mexicans' contention that they would not be expected to pay, a thorough investigation of the Department files has revealed no evidence in support of this contention. Mr. Sumner Welles, the former Undersecretary, and others who participated in the negotiation of the

18 Not printed.
Agreement have been asked about this and have recalled no statements of any kind on the United States side implying that payment would not be required. In fact there would seem to have been no point whatever in specifying that payments would be required if such was not the intent since the Agreement was not made public. Officials of this Department discussed the subject with the Mexican Ambassador in May of this year and informed him that Mr. Welles could recall no commitment for cancellation of the Mexican obligation and that our policy continues to be collection of sums due. This position was affirmed in a letter dated July 2, 1946, to the Mexican Ambassador from Assistant Secretary Braden.

In view of the established policy, which is considered to be based on entirely valid grounds, the Department cannot consider at this time the suggestion that the Mexican lend-lease obligation should be reduced from the sum specified by the Agreement.

The Department is now exploring the possibility of allowing the Mexican Government to meet its obligation through the furnishing of real property and improvements of equivalent value for the foreign buildings program, as suggested in the reference despatch. Since no decision in respect to this suggestion has been reached, however, it would not be advisable to approach the Mexican Government in any way on this matter at the present time.

For your information in this connection, Mexico is required by the Agreement to pay 33 per cent of the cost of arms and armaments delivered under lend-lease, payments being scheduled over a period of years. The sum of $6,600,000 is now due. Lend-lease agreements with the other American republics include similar provisions for reimbursement. The great majority of the other republics have paid sums due in part or in full, and in no case has an obligation been scaled down in any way. The few countries which have not paid, with the exception of Mexico, have declared their firm intention to pay when they are able to. It is believed that renegotiation of the Mexican obligation would open the United States to legitimate requests for renegotiation of any other outstanding obligations anywhere in Latin America or elsewhere in the world. This Department knows of no reason why the Mexican Government would be unable to liquidate its lend-lease obligation within a short period of time.29

Very truly yours,

For the Secretary of State:

Spruille Braden

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29 In a memorandum of December 14, 1946, sent to the American Embassy in Mexico on December 16, the Minister of Finance and Public Credit, Ramón Beteta, indicated that the Government of Mexico was disposed to negotiate with the United States Government an equitable arrangement for the liquidation of the credits extended to his country during the war in accordance with the agreement concluded on lend-lease on March 18, 1943. (812.24/1-1.747)
UNITED STATES-MEXICAN DISAGREEMENT ON THE TERMINATION
OF A 1943 AGREEMENT ON MILITARY SERVICE AND ITS EFFECT
ON MEXICAN RESIDENTS IN THE UNITED STATES"

S11.2222 (1940) / 7-3146

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

No. 660

MEXICO, D.F., July 31, 1946.

SIR: I have the honor to refer to the Department's telegrams No. 95
dated January 18, 1943, and No. 115 dated January 22, 1943, and also
to the Embassy's Despatch No. 6876 of January 23, 1943, on
the subject of an exchange of notes with the Mexican Ministry for Foreign
Affairs concerning the recruiting for the purposes of military service
of the nationals of the United States in Mexico resident in the other
country.

The Embassy has received a note from the Mexican Secretary for
Foreign Relations dated July 22, 1946, referring to Paragraph X of
the Embassy's Note No. 960 to the Ministry dated January 22, 1943,
which reads as follows: "The understandings in the foregoing arrange-
ment shall be in effect as of today for the duration of the present war
and six months thereafter."

The Secretary states that his Government desires to establish the
period mentioned in Paragraph X and asks the Embassy to ascertain
whether the opinion of the United States Government coincides with
that of the Mexican Government that the period of six months pertains
to the six months immediately following the cessation of hostilities.
The Secretary suggests that in case the opinion of the United States
Government coincides with that of the Mexican Government, the
Agreement be rendered ineffective by an exchange of notes.

The Embassy believes that, if consistent with the policy of the
United States Government and similar agreements with Canada and
other countries, the desire of the Mexican Government that the agree-
ment be terminated be accorded full consideration. An instruction
is respectfully requested.

Respectfully yours,

For the Ambassador:

PAUL J. REVELEY,
Second Secretary of Embassy

29 For previous documentation on United States-Mexican relations regarding
military service, see Foreign Relations, 1943, vol. vi, pp. 396 ff.
30 None printed.
32 For agreement between the United States and Mexico respecting military
service, effected by exchange of notes signed at Mexico City January 22, 1943,
see Department of State Executive Agreement Series No. 323, or 57 Stat. (pt. 2)
973. For documentation concerning defense questions, see Foreign Relations,
33 Not printed.
The American Ambassador in Mexico (Thurston) to the Mexican Minister for Foreign Affairs (Castillo Nájera)²⁴

No. 329

MEXICO, D.F., September 18, 1946.

I have the honor to refer again to Your Excellency’s courteous Note No. 572928 of July 22, 1946, concerning the termination of the Military Agreement of 1943 between the Governments of Mexico and the United States, and to my acknowledgment thereof dated July 31, 1946, in which Your Excellency was informed that appropriate instructions were being requested.

I am able now to inform Your Excellency that while it is the view of my Government that by its terms the Agreement does not terminate until six months after the conclusion of peace, immediate termination thereof by an exchange of notes, in conformity with the wishes of the Government of Mexico, is agreeable, and the necessary authority has been conferred upon me.

However, I am instructed to inform Your Excellency that termination of the Agreement will not relieve Mexican residents of the United States from their obligations under the Selective Training and Service Act. This is of special importance in view of present plans of the Selective Service System for further inductions into the armed forces during the month of September for which alien residents of the United States, including Mexican nationals, as well as citizens of the United States, will be liable.

I shall be pleased to receive an expression of Your Excellency’s views and to be advised as to whether the Government of Mexico wishes immediate termination of the Agreement regardless of the consideration described in the preceding paragraph or prefers a postponement to a later date.

Accept [etc.]

WALTER THURSTON

The Mexican Minister for Foreign Affairs (Castillo Nájera) to the American Ambassador in Mexico (Thurston)²⁴

No. 511053

MEXICO, D.F., October 9, 1946.

[Translation]

MR. AMBASSADOR: I have the honor to acknowledge the receipt of Your Excellency’s courteous note number 329, received at this Min-

²⁴ Copy transmitted to the Department in despatch 1720, November 8, 1946, from Mexico City, not printed.

²⁵ Neither printed.
istry September 24th last, informing me that, notwithstanding the fact that, in the opinion of the Government of the United States, the Military Agreement of 1943 will not terminate until six months after the conclusion of peace, Your Excellency has been given authority to declare it terminated whenever this may be desired by the Government of Mexico.

Your Excellency informs me, however, that the termination of the Agreement will not exempt Mexican residents from the obligations binding upon them under the Selective Service Law.

In this connection, I consider it necessary to point out to Your Excellency that, in the opinion of the Mexican Government, whenever the Military Agreement of 1943 may be declared terminated—whether dating from the cessation of hostilities or the conclusion of the peace—the situation should be governed by the generally accepted principles of International Law and, specifically, by the Convention on the Status of Foreigners signed at Habana on February 20, 1928, to which our two countries are parties.

Article 3 of the aforesaid Convention, as Your Excellency knows, reads as follows: “Foreigners may not be obliged to perform military service; but those foreigners who are domiciled, unless they prefer to leave the country, may be compelled, under the same conditions as nationals, to perform police, fire-protection or militia duty for the protection of the place of their domicile against natural catastrophes or dangers not resulting from war.”

It is true that the Government of Your Excellency signed and ratified this Convention, “with specific reservation with regard to Article 3 thereof, relating to military service by foreigners in case of war”; but from the wording itself of the reservation it is deductible “a contrario sensu” that, excepting in that case, that is, when no state of war exists between Your Excellency’s country and another or other countries, the United States accepts the principle that foreigners cannot be obligated to render military service.

It is the opinion of the Government of Mexico, therefore, that upon the termination of the Military Agreement of 1943 between Mexico and the United States the Selective Service Law cannot continue to obligate residents of Mexican nationality to render military service.

I beg you, Mr. Ambassador, to be so kind as to inform me if the Government of the United States is in agreement with these points of view.

I avail myself [etc.]

F. CASTILLO NÁJERA

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27 For text, see Department of State Treaty Series No. 815, or 46 Stat. (pt. 2) 2749; for documentation on the Sixth International Conference of American States, held at Habana, January 16 to February 20, 1928, and texts of the conventions adopted, see FOREIGN RELATIONS, 1928, vol. 1, pp. 527–621.
The American Ambassador in Mexico (Thurston) to the Mexican Minister for Foreign Affairs (Torres Bodet)

No. 578

MEXICO, D.F., December 13, 1946.

EXCELLENCY: I have the honor to refer to the Ministry’s courteous note No. 511053 of October 9, 1946, with further regard to the termination of the Military Agreement of 1943 between the Governments of Mexico and the United States, in which was presented the opinion of the Ministry that Mexican nationals residing in the United States should not be obligated to continue to render military service after termination of the Agreement.

The Ministry’s views on the subject were transmitted to my Government; and I now am authorized to inform Your Excellency that the law and policy of the United States concerning the drafting of aliens are contained in the Selective Training and Service Act of 1940, as amended. Section 2 of that Act provides that, except as otherwise provided therein, “it shall be the duty of every male citizen of the United States and of every other male person residing in the United States” within the specified ages to register. Section 3 of the Act makes such persons “liable for training and service in the land or naval forces of the United States”.

Article 3 of the Habana Convention of February 20, 1928, on the Status of Aliens exempting foreigners from the performance of military service was not ratified by the Government of the United States and, therefore, in the absence of ratification, would constitute no obligation on my Government.

As to its position with respect to the drafting of aliens in the United States, the Department is of the opinion that no inference may be drawn from such nonratification, particularly in view of Sections 2 and 3 of the Selective Training and Service Act referred to above.

Moreover, as previously indicated, my Government regrets that it is not in a position to accept the view of the Mexican Government that under generally accepted principles of international law it is prevented from drafting aliens residing in the United States. For the same reasons, my Government is unable to share the views of the Government of Mexico that upon the termination of the Military Service Agreement of 1943 Mexican nationals are not obligated to render military service under the Selective Training and Service Act.

Accept [etc.]

WALTER THURSTON

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28 According to a communication of January 26, 1953, to Mexico City (136/145), the Department regarded the Military Service Agreement of 1943 between the United States and Mexico as having expired on October 28, 1952, 6 months after the United States ceased to be in a state of war, that is, April 28, 1952, at 9:30 a. m., Eastern Daylight Saving Time, when the United States instrument of ratification of the treaty of peace with Japan, last country with which a state of war continued to exist, was deposited with the Secretary of State.
The Acting Secretary of State to the Ambassador in Mexico
(Thurston)

CONFIDENTIAL

WASHINGTON, June 17, 1946.

No. 8753

SIR: Conversations looking to the conclusion of a bilateral air transport agreement between the United States and Mexico will be resumed in Mexico City beginning June 24. Conversations of this nature originally were undertaken with Mexican officials in Washington in October, 1945, at which time they dealt with two matters: the text of a basic agreement on principles along the line of those drafted at the Chicago Aviation Conference, and secondly, the allocation of international routes connecting the two countries. Agreement was not reached on the latter point because both countries wished rights over routes which the other would not grant.

The Civil Aeronautics Board has interpreted the Civil Aeronautics Act of 1938 to provide for a "regulated competition" among United States airlines in the international field, rather than monopolistic control by a single United States airline. All Executive Departments of this Government support this view. As you know, basic responsibility for the allocation of routes rests with the Civil Aeronautics Board, and the recent so-called Latin American decision of the Civil Aeronautics Board which authorized five United States airlines to operate into Mexico may be considered as a confirmation of this policy. For your information a copy of the Board's press release of May 22, 1946, regarding this decision, is enclosed.

As matters now stand in Mexico, Pan American Airways and the Compañía Mexicana de Aviación have an almost exclusive concession to international traffic between Mexico and the United States by their control of four of the five presently established Mexican gateways. The Compañía Mexicana de Aviación is not a legal subsidiary of Pan American Airways but the latter has a substantial, although perhaps not controlling, interest in the Mexican company. The only other carrier presently engaged in international air traffic with Mexico from this country is American Airlines which, until the recent decision, has

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39 For text of convention signed at the International Civil Aviation Conference, Chicago, November 1-December 7, 1944, see Department of State Treaties and Other International Acts Series No. 1591, or 61 Stat. (pt. 2) 1180. The Mexican instrument of ratification of the convention and the acceptance of the transit agreement (Department of State Executive Agreement Series No. 487, or 59 Stat. (pt. 2) 1701) was deposited with the Department of State on June 25, 1946.

30 Not printed.
been operating on this route out of the United States under a temporary permit.

The Department is mindful that the subject of new routes in Mexico will probably create controversy. With this in mind you are requested at an early date to seek an appointment with the President and say to him that this Government’s policy is to provide for regulated competition among United States airlines in the international field rather than monopolistic control by a single United States carrier. You should say further to him that it is believed that by this means the best service will be furnished both to Mexico and to the United States. You should express the hope that the Mexican Government will find it possible to reach an agreement as speedily as possible which will include the routes to be operated by the United States airlines in accordance with the recent decision of the Civil Aeronautics Board.

Very truly yours,

For the Acting Secretary of State:

SPRUILL BRADEN

711.1227/7-2946

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

CONFIDENTIAL

No. 593

MEXICO, D.F., July 29, 1946.

[Received August 1.]

Sir: I have the honor to inform the Department that at the meeting held by the United States and Mexican delegations to the Bilateral Route Negotiations on July 25, it was agreed that no further purpose would be served through continuing the negotiations and, hence, these were suspended by mutual consent. The remaining members of the United States delegation left by plane for Washington on July 25.

The negotiations, which started on June 24, give cause for reflection, and the Department will wish to study the lessons to be drawn from them in order to avoid, in so far as possible, the pitfalls which may be encountered in connection with similar discussions to be held with other Latin American countries.

Shortly after the beginning of the negotiations, it became increasingly apparent that the Mexican delegation felt that the United States delegation had not come to Mexico to negotiate, but to implement the decisions previously arrived at by the Civil Aeronautics Board. This impression was not caused by any lack of tact on the part of the United States representatives, but arose from the unfortunate necessity for the CAB publicly to announce its decision in the Latin American case prior to the negotiations with Mexico.

I am fully cognizant of the reasons for the announcement of the decision, but the Department will wish to consider ways and means of
preventing this type of obstacle from affecting future negotiations in Mexico and elsewhere in Latin America. Had it been possible to inform the Mexican Government of the decision before it was given publicity in the United States and to explain the necessity of this procedure under our legislation, we could perhaps have avoided the feeling of imposition which the Mexican delegation so patently resented. However that may be, it was clear during the week ending July 6 that the negotiations were getting nowhere. In view of the approaching stalemate, I instructed the Economic Counselor \(^{31}\) to discuss the matter separately and informally with the heads of both delegations. A better atmosphere resulting, negotiations progressed and by July 17 there was every indication that a satisfactory agreement was in prospect. True, the Mexicans were adamant with respect to Route 1 (San Antonio and Laredo to Monterrey and Mexico City) \(^{32}\) but all other United States routes had been accepted in principle. Mexican opposition to the Braniff route was twofold: first, the fear that no Mexican line could operate in competition with American and Braniff in the same territory and, second, a deep prejudice against the business methods of Mr. Thomas E. Braniff. The Embassy is not, at the present time, in a position to express an opinion as to the merits of the second objection. The Mexicans, however, did not entirely close the door to the Braniff route and were agreeable to discussing an alternative entry within six months during which time the conduct of Mr. Braniff would be observed.

It was not until July 18 that the question of the division of traffic became serious. Although frequencies and capacities had casually been mentioned previously, the United States delegation had no inkling that the Mexican position would be as adamant and unyielding as later developed. In fact, one of the Mexican delegates, General Salinas Carraza, expressed his surprise at the injection of these questions into the discussions and stated privately that the Foreign Office was responsible for the position adopted by his delegation. Whether or not the Mexican delegation had been determined to stand on the right to a juridical division of traffic from the start is a debatable point, but once the question was injected, it found almost unanimous support, both on the part of the Mexican delegation and the Mexican Government itself.

As soon as it was clear that the delegations had reached a complete stalemate, I felt the time had arrived to make a final plea to the

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\(^{31}\) Robert W. Bradbury, Senior Economic Analyst.

\(^{32}\) United States route No. 1, from San Antonio and Laredo to Monterrey and Mexico City, which the Civil Aeronautics Board had awarded to Braniff Airways, was firmly opposed by the Mexican delegation.
President.\textsuperscript{33} I had purposely avoided injecting myself into the negotiations until such time as the issues were clear-cut and I felt that I could appropriately act. The interview which I had with the President was fully reported upon in despatch no. 52 of July 20, 1946, entitled “Transmitting Memorandum Presented to President Avila Camacho with Regard to Deadlock in Bilateral Route Negotiations.”\textsuperscript{34} (For convenience, a copy of the memorandum which I left with him is included as Enclosure No. 1.\textsuperscript{35}) The President’s reply, made through the Foreign Office, will be found in Enclosure Nos. 2 and 3.\textsuperscript{36}

In view of the tenor of the President’s reply, I discussed the situation with the United States delegation and it was agreed that no purpose would be served by further discussions at the present time. Hence, a final meeting was arranged for the morning of July 25 with the Mexican delegation, after which the United States delegation issued the press statement which forms Enclosure no. 4 to this despatch.\textsuperscript{37} The Chief of the Mexican delegation\textsuperscript{38} requested the Economic Counselor to call before the final session and it was agreed that at the meeting mutual expressions of regret would be voiced but that every effort would be made to prevent any controversial matters from arising. This in order that the Embassy and the Mexican authorities might continue discussions to see if the groundwork could be laid for a satisfactory agreement being reached in the near future. The statement issued by the Mexicans and published in the press of July 28 will be found in Enclosures nos. 5 and 6.\textsuperscript{39} It will be noted that the Mexican statement, while clearly expressing the delegation’s

\textsuperscript{33} Manuel Avila Camacho.
\textsuperscript{34} Not printed.
\textsuperscript{35} Not printed; with respect to the question of limitations on traffic and services, that is, the Mexican proposal that traffic on any new route between the two countries should be divided equally between the respective Mexican and American airlines operating on such routes, each carrying one-half of the traffic, Ambassador Thurston noted in his memorandum to President Avila Camacho: “It is the view of my Government that there should be equal opportunity under international agreements for airlines to develop and attract the potential volume of air traffic, but it sincerely believes that any arbitrary division of traffic and capacity would seriously retard the expansion and consequent benefits of air transportation.”
\textsuperscript{36} Neither the Spanish text nor the translation printed. According to this memorandum, the pattern of air routes involved considerable advantages for the United States even though, because of numerical parity, it appeared to provide complete reciprocity. Under the original proposal, for example, three routes traversing Mexican territory would be granted the United States, while Mexico would obtain only one route across the United States (no. 6, Mexico City, San Antonio and Detroit to Canada). With respect to “limitations of air traffic and services” in the Ambassador’s memorandum, the Mexican reply stressed that equality of opportunity could not exist when, given disproportion in existing resources, the weaker party was deprived of adequate protection, and maintained the right of Mexican civil aviation to collaborate with its resources of that time in the future development of air traffic between the two countries.
\textsuperscript{37} Not printed.
\textsuperscript{38} Juan Rebolledo Clement, Assistant Minister of Communications.
\textsuperscript{39} Neither printed.

798–515—69——64
position, seeks to avoid acrimonious controversy, the same objectives which were kept in mind in drafting the statement issued by the United States delegation.

... ... ... ... ... ... ... ... ... ... ... ... ... ... ... ... ...

In reviewing the negotiations, I am particularly struck by the need for evolving some method for preventing the wounding of Latin American sensibilities by prior decisions of the Civil Aeronautics Board in cases involving routes which are to be the subject of later negotiations with them. The Mexican reaction, while finally removed as a major obstacle, was never completely allayed as an irritant. Also, I do not believe that the Department should give too much weight to the question of routes in the failure of the negotiations. I am convinced that a satisfactory route pattern could have been worked out. The basic cause of the failure of the negotiations is to be found in the Mexican demand for juridical division of traffic.

... There could be no question that in the discussions regarding routes there was an undertone of individual interests at play, but the Embassy is fully convinced that the Chief of the Mexican delegation is completely sincere in his position that Mexico should have the juridical right to an equal division of traffic. The Economic Counselor has already pointed out to Señor Rebolledo that the position assumed by his delegation and his Government would appear to be contrary to the best interests of Mexico and that however logical the right to a division of traffic may appear on the surface, it is fundamentally unsound and uneconomic. The Chief of the Mexican delegation has expressed the definite desire that the Embassy present to him and the Minister of Communications the reasons which lead us to believe that a juridical division of traffic would be against the best interests of this country. He stated, and we believe him to be entirely sincere in this respect, that if we could show him that he was wrong, he would assist rather than obstruct the reaching of an agreement. He re-emphasized the desire of his Government to reach an understanding with our own and expressed keen regret that the negotiations had failed.

... I am inclined to believe that the wisest policy would be to continue conversations. In order to do this it would be necessary for the Embassy to be supplied with authoritative data showing:

[Here follows list of subjects on which information was requested.]

Respectfully,

WALTER THURSTON

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49 Pedro Martinez Tornel.
[In despatch 1409, October 7, 1946, Ambassador Thurston recommended that prior to undertaking to reopen formal negotiations a series of preliminary informal conversations should be held by Embassy officers with the interested Mexican Government officials in order to explore the various points of issue and to promote a fuller understanding by the Mexican representatives. Anticipating the commercial air policy of new presidential administration which was to take office on December 1, Ambassador Thurston noted:

"Whatever may be the composition of the new Ministries of Communications and of Foreign Relations, any radical and precipitate change in their points of view is not to be expected. The restrictions proposed at the conferences in July and August were a clear expression of the nationalism and protectionism which are the backbone of present Mexican economic policy, and no more than a very moderate swing away from these principles can reasonably be anticipated. Furthermore, it is clear that Mexico will not recede from the position taken by its delegation through any such idealistic considerations as the increased freedom of trade and communications or the ultimate benefit to the world economy of more liberal air transport policies. The only telling arguments will be those based on a conclusive factual showing that such a policy will be of concrete and immediate benefit to Mexican economy."

(711.1227/10–746)

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EXPORT-IMPORT BANK LOANS TO MEXICO FOR PURCHASE OF UNITED STATES EQUIPMENT, MATERIALS AND SERVICES FOR PUBLIC WORKS AND INDUSTRIALIZATION PROJECTS

812.51/1-1446: Aigram

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

CONFIDENTIAL

WASHINGTON, January 14, 1946.

A-45. The Board of Directors of the Eximbank has been requested to authorize the extension of a line of credit to Aeronautical Radio de Mexico, S.A. in an amount not to exceed $3,000,000 for the purpose of assisting in the purchase of United States equipment, materials and services on the following terms: (1) the line of credit to be outstanding until June 30, 1948; (2) interest rate 4%; (3) repayment of amounts drawn against the line of credit to be made in equal quarterly installments over a period not exceeding 7 years from the date of each withdrawal under the line of credit; (4) assurances satisfactory to Eximbank shall be obtained by the Company from the Government of

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41 For previous documentation on Export-Import Bank loans to Mexico for the improvement of railway, road, and electrification systems, see Foreign Relations, 1945, vol. ix, p. 1163 ff.
Mexico regarding the availability dollar exchange required for the full payment of the interest and principal.

If credit is approved Eximbank would be financing approximately 90 percent of cost of new equipment, engineering survey and purchase of existing equipment. The Company would only have to raise approximately $415,000, plus $271,000 for new buildings and lands to meet its anticipated needs of $3,685,251.

The Company states that while the average estimated life of the equipment is 7 years, it is expected that much of it will be useful for 10 years or more after installation. Through the Department of Commerce, a list of the equipment to be purchased has been submitted to technicians of CAA. After review of conditions under which this equipment is to be used in Mexico, Commerce informed the Eximbank that it was its opinion that the installation of low frequency equipment is suitable for purpose involved if proper radio frequency assignments can be worked out. However, Commerce recommended that such low frequency equipment should be replaced by VHF equipment wherever practicable within 5 years.

Eximbank states that Aeronautical Radio de Mexico will operate as a non-profit corporation with all costs of operations plus interest and amortization being made by service charges to stockholders or members on a contractual basis. This, in effect, means that the real security for credits to the Company (other than a possible lien on its physical assets) is the capacity of the service subscribers to meet their contractual obligations.

The Eximbank feels that since the principal subscribers are important subsidiaries of well-established and successful United States air transportation companies and since under their contracts with Aeronautical Radio de Mexico they appear to be jointly and severally liable for all its costs of operation including the interest and amortization on loans, as long as its services are utilized, there would seem to be justification for concluding that payments of credits can be met on schedule.

The Department questions the advisability of giving its approval to the extension of credit under the foregoing conditions.

The Embassy’s comments are urgently requested.

ACHESON

812.51/1-2346: Telegram
The Ambassador in Mexico (Messersmith) to the Secretary of State
CONFIDENTIAL
MEXICO CITY, January 23, 1946—6 p. m. [Received January 24—6:44 a. m.]

58. ReDepgram A-45 of January 14. This Embassy strongly recommends the Dept’s support of application of Aeronautical Radio de
Mexico for line of credit of 3 million dollars to be extended by Eximbank. Aeronautical Radio de Mexico now has experimental concession from Mexican Govt, valid 5 years with indefinite extension if company successful. Leading airlines in Mexico have joined company as members assuming support of all leading airlines. Believe success of company important to US for following reasons:

1. Aeronautical Radio will assure use of American equipment and techniques in operation of airline communication system, traffic control tower operations, and airway navigational aids. This is of extreme importance in preventing non-American systems to be introduced and tends to aid our standardization program.

2. The use of American equipment and techniques will add to the safety of all airline operations in Mexico including American international carriers.

3. The standardization will tend to be of benefit as a matter of national defense, as communication engineers, control tower operations and airway technicians will all be trained in American methods.

4. Aeronautical Radio de Mexico will probably serve as a model for other similar organizations in the other American Republics and possibly in non-American countries.

This would be of great value to US in introducing American equipment and techniques.

Believe principal argument for granting of loan to be on national policy level but also feel that the loan is also reasonably sound from commercial viewpoint. While concession lasts only 5 years, there is no particular reason to believe that it will not be extended. Also while loan is of a 7-year duration and some of the equipment may become obsolete in 5 years and should be replaced by more modern equipment, this will apply to only a fraction of the total equipment installed and as the loan is to be repaid in quarterly installments throughout the life of the loan, the major portion of the loan will be repaid before 5 years. It is unlikely that individual companies will withdraw from cooperative agreement as cost of supplying individual facilities will exceed the cost of using the facilities provided by Aeronautical Radio. Those companies which already have part of the facilities needed are turning them over to Aeronautical Radio and so would be put to great expense to duplicate these facilities if they should decide to withdraw in the future.\footnote{Secretary Byrnes informed Ambassador Messersmith in telegram 148, February 13, 8 p. m., that the application of Aeronautical Radio de Mexico had been approved February 13 by the Board of Directors of Eximbank with two conditions (812.51/2-1546). According to despatch 29174, April 12, from Mexico City, those conditions had been fulfilled: Aeronautical Radio de Mexico had succeeded in getting the Government of Mexico to increase the term of its permit from 5 to 10 years, and all member companies had agreed to continue to make use of the services of Aeronautical Radio de Mexico and to share in the expenses thereof according to such agreement until such loan was fully paid (812.51/4-1246).}
The Secretary of State to the President of the International Telephone and Telegraph Corporation (Behn)

Confidential

Washington, March 4, 1946.

My dear Colonel Behn: In a letter of August 22, 1944, addressed to Secretary Hull by Mr. Frank C. Page of your company, it was stated that the L. M. Ericsson Company had made a proposal to the International Telephone and Telegraph Corporation to acquire its interest in the Mexican Telephone and Telegraph Company, and inquired whether this transaction would be contrary to the policy of the United States Government.

In a letter of January 9, 1945, addressed to Mr. Page, Mr. Stettinius stated that it was the considered judgment of the Government of the United States that the interests of the United States and of the Western Hemisphere would be afforded greater security and would be better served if such vital means of communication as the telephone system in Mexico were entrusted to Western Hemisphere interests.

Mr. Stettinius' letter was written, of course, while the United States was a belligerent in the war. Meanwhile the war has come to an end and the considerations of security which dictated the statement of policy enunciated by former Secretary Stettinius have undergone a change.

Consequently, no objection will be interposed by the Government of the United States to the sale or other disposition of your telephone subsidiary in Mexico.

Sincerely yours,

James F. Byrnes

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

Restricted

Washington, June 28, 1946.

No. 15

Sir: On March 4, 1946, the Department wrote to Colonel Sosthenes Behn, President of International Telephone and Telegraph, releasing his company from the request that the Department had made on January 9, 1945, that the IT&T not sell its Mexican properties to the Empresa de Teléfonos Ericsson. This was the result of a decision that the Department would not sponsor on general security and foreign policy grounds an Export-Import Bank loan to assist IT&T to acquire the Ericsson interest in the latter's Mexican properties.

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4b Not printed.
4c Mr. Walter Thurston assumed his duties as Ambassador in Mexico on June 17, 1946.
The Department had written the letter of March 4th to Colonel Behn only after receiving letters from the War and Navy Departments indicating that those Departments did not feel that sufficient justification existed on national security grounds for the United States Government to give financial support through the Export-Import Bank for this transaction.

Shortly after the March 4th letter was sent to Colonel Behn, high officials of the War and Navy Departments called on Assistant Secretary Braden and explained orally that their earlier letters had not made clear their very real security interest in bringing about the elimination of nonhemisphere ownership of communications systems in this hemisphere. Following this meeting the Secretaries of War and Navy wrote to the Secretary of State expressing this security interest.

Mr. Braden made no commitments to the Army and Navy as to State Department opinion on their new recommendations other than to say that the Services' point of view would be considered if the question were brought to the Department's attention by the Export-Import Bank. So far this has not occurred.

If the Mexican Government or officials of the IT&T raise this question with the Embassy they should be informed that, although general discussions of the question of hemisphere security have taken place within the American Government, no actions or decisions reversing the previous position have been taken on the question of financing, through the Export-Import Bank, the acquisition of the Ericsson interests by the IT&T.47

Very truly yours,

For the Secretary of State:

Wm. L. THORP

812.51/T-2046

The Acting Secretary of State to the President of the Export-Import Bank of Washington (Martin)

CONFIDENTIAL

WASHINGTON, September 11, 1946.

MY DEAR MR. MARTIN: I have been informed that there is again some discussion in Mexico regarding the interest of Petroleos Mexi-
canos in securing a loan from the Export-Import Bank to finance the construction of a gas pipe line from Poza Rica to the Federal District. The reports which have reached me indicate that Señor Efrain Buenrostro, head of Petroleos Mexicanos, has stated that his organization did not desire any foreign technical or other participation in the building of the line but was interested only in securing foreign capital for its financing.

It is possible that the renewed Mexican interest in this pipe line may lead to some approach being made to this Government either through the Embassy at Mexico City or direct to you. It is the opinion of the Department, and it has so informed the American Ambassador in Mexico City, that the proposed Poza Rica-Federal District gas pipe line is a project to serve as carrier from a proven oil and gas field to Mexico City and is so closely related to the petroleum industry as to constitute an integral part of "commercial development of Mexican petroleum resources". U.S. Government loans for such "commercial development" were disapproved by the President, who on October 13, 1945, signed a State Department memorandum dated October 11, 1945. I understand that you are cognizant of the content of this statement.

This decision was, of course, reached as a part of this Government's oil policy toward Mexico.

Sincerely yours,

W. L. Clayton

[A copy of the Acting Secretary's letter of September 11 to Mr. Martin, printed supra, was transmitted to Ambassador Thurston in instruction 287, September 12, which concluded as follows: "In the event that you are approached by representatives of the Mexican Government with regard to such a loan, you are authorized to inform them, in your discretion, that sympathetic consideration cannot be given to a loan for this purpose." (812.51/7-2646)]

812.51/10-2846: Agram

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

WASHINGTON, October 28, 1946.

A–1064. Board of Directors of the Export-Import Bank on October 23, 1946 approved a request from Nacional Financiera for an extension of the expiry date of the $15,000,000 Mexican National Railways credit from December 31, 1946 to December 31, 1947. The Board

46 The Government oil monopoly.
47 Foreign Relations, 1945, vol. IX, p. 1159. The Acting Secretary was assured by Mr. Martin, in a letter of September 17, 1946, that the Export-Import Bank would be guided by the Department memorandum in any discussions which it might have regarding loans to Mexico (812.51/9-1746).
also approved a request from Nacional Financiera to transfer $4,000,000 from the $40,000,000 highway credit to the aforementioned railway credit. The increased credit is to be used for the purchase in the United States of railway equipment needed for the National Railways and the Mexican Railway.

In its request to the Bank, Financiera stated that they would only use about $4,000,000 to $5,000,000 of the $10,000,000 still available for the purchase of road building equipment in the United States and badly needed additional funds for the purchase of railway equipment.30

BYRNES

S12.51/12-1746: Airgram

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

SECRET

MEXICO, D.F., December 17, 1946.

[Received December 23—9:08 a.m.]

A—1713. Last evening I received a note from the Foreign Minister,51 transmitting a memorandum from the Minister of Finance,52 dated December 14, 1946, which sets forth the subject matter brought forward by Lic. Beteta in his conversation on December 5, 1946 with Mr. Snyder, the Secretary of the Treasury.53 The note and Memorandum are being translated and will be forwarded as soon as completed.54 The Embassy in the meantime is making a technical and analytical study of the proposals and will forward this as soon as possible. The Embassy recommends that no action be taken or conversations be held with any Mexican officials until its analytical study is received by the Department.

The Memorandum discusses an omnibus, long-term, financing program covering total expenditures of foreign-secured funds during the next 6 years of 900,000,000 pesos ($180,000,000 U.S. Cy), covering certain public works and industrialization projects, many of which are already familiar to the Department. It anticipates that 20-year foreign credits at 4% to cover the projects will be requested at a later date either from the International Bank for Reconstruction and Development or from the Export-Import Bank.

30 In instruction 669, December 23, 1946, the Secretary of State transmitted to Ambassador Thurston copies of two amendatory agreements signed on November 15, 1946, between the United Mexican States, Nacional Financiera, S.A., and the Export-Import Bank, authorizing the transfer of $4,000,000 from the $40,000,000 highway credit to the $15,000,000 credit for the Mexican National Railways (S12.51/12-2346).
51 Jaime Torres Bodet.
52 Ramón Beteta.
53 Mr. Snyder was in Mexico City attending the inaugural ceremonies of President Miguel Aleman, December 1.
54 Copies transmitted to the Department in despatch 2238. December 18, not printed.
The views of our Government are sought on these principal points:

1. The total volume of loans which Mexico may expect.
2. To what extent the projects are regarded as of a nature appropriate to financing by an international agency.
3. Whether Mexico's loan applications would be considered as falling within the scope of Article 4, Section 3, Paragraph C, of the Articles of Agreement of the International Bank of Reconstruction and Development, which provides that parts of certain loans may be made available in gold or foreign exchange.

The Memorandum recalls that Mexico's foreign obligations are currently being serviced, and that the obligations contracted with the Export-Import Bank are being punctually complied with. It states that its is the intention of the Government of President Alemán to negotiate for the equitable liquidation of the Lend-Lease account.55

It further states that the Government intends to maintain the present rate of exchange between the peso and the dollar, and to maintain the traditional freedom of the exchange market in Mexico. However, because of the rapid drain on the present gold and foreign exchange reserves (which have decreased from $372,000,000 U.S. Cts. to $256,000,000 in the past 8 months, or by something over 30%) a replacement of the funds by means of private capital investments or long-term loans is needed.

Briefly, the "public works" projects are as follows:

1. Certain irrigation and hydro-electric dams to supplement the Government's projected investment from its own resources of 1,500,000,000 pesos in irrigation works during the next 6 years. (395,000,000 pesos).
2. The development of the northwest region of Mexico, to be modeled on the TVA experiment in the United States, including the construction of irrigation dams and hydro-electric plants; the completion of the Kansas City, México y Oriente railway; and the development of the port of Topolobampo. (346,000,000 pesos).
3. Port works at Manzanillo and Tampico. (49,500,000 pesos).
4. Development of the Isthmus of Tehuantepec, including a trans-Isthmian highway and an oil pipe line. (129,000,000 pesos).

The so-called "industrial" projects are the following, part of the costs to be financed locally:

1. A gas pipe line between Poza Rica and Mexico City. (28,000,000 pesos).
2. Ammonium sulphate plant to supplement Mexico's need of nitrogenous fertilizers. (37,000,000 pesos).
3. A coking plant to supplement the needs of Mexico's steel plants. (18,500,000 pesos).
4. Electrical and other installations in connection with the Colimilla Dam, owned by the Nueva Compañía Eléctrica de Chapala, which is controlled by the Mexican Government through the Nacional Financiera. (40,000,000 pesos).

55 For documentation on this subject, see pp. 978 ff.
5. A gas pipe line between Reynosa and Monterrey. (14,500,000 pesos).
6. The modernization of textile plants. (25,000,000 pesos).

THURSTON

812.51/12-1946: Telegram

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

CONFIDENTIAL

MEXICO CITY, December 19, 1946—4 p. m.

US URGENT

[Received 8:17 p. m.]

1120. Minister of Finance informed me this noon that two projects had been omitted from his recent memo (see Embtel 1110, December 17 and despatch 2238, December 18). These relate to the highways which the Mexican Government desires to construct through the western area to Nogales and through the central area to El Paso. The total cost of these highways is estimated at slightly less than 50 million dollars. A supplementary memo regarding these projects will be submitted by Minister Beteta later this week.

Beteta stressed the economic and political importance of President Alemán’s program and said that without foreign financial arrangements he will either have to abandon many urgently needed works or carry them out through difficult internal financing with the danger of further inflation, both of which courses he desires to avoid.

He expressed the urgent hope that we will reply as promptly as may be possible to the three numbered questions on page 1 of his memo, a translation of which accompanied the despatch cited.

THURSTON

UNITED STATES POLICY REGARDING THE PARTICIPATION OF FOREIGN OIL COMPANIES IN THE MEXICAN OIL INDUSTRY

812.6363/8-2746

The Assistant Secretary of State for American Republic Affairs (Braden) to the Ambassador in Mexico (Thurston)

WASHINGTON, August 27, 1946.

DEAR WALTER: We are sending you an instruction enclosing a memorandum on the policy of the United States Government with regard to Mexican petroleum.

55 Neither printed.
57 A copy and translation of the supplementary memorandum sent to Ambassador Thurston on December 23 were transmitted to the Department in despatch 2284, December 31: this memorandum discussed the two additional public works projects, specifically, the completion of the West Coast (Nogales-Guadalajara) and Central (Mexico City-Ciudad Juarez) Highways (812.51/12-3146).
56 Not printed.
58 For previous documentation on discussions between the United States and Mexico concerning operating problems of the petroleum industry, see Foreign Relations, 1945, vol. ix, p. 1159 ff.
59 Infra.
You will understand, of course, that it is not intended that you should make any representations at this time to the Mexican Government, but that the memorandum is sent you for your information and for guidance in any discussions which you may have. I take it that the present administration will not take any decision on the future of Mexico’s oil industry, but that this is a matter which will be handled by the new administration. Your letter of August 2, 1946, to Mr. Carrigan, relating a conversation between a representative of a foreign oil company with Señor Ramón Beteta would seem to indicate that the new administration will realize the seriousness of the oil situation in Mexico and that it may seek to find a way to provide for future participation of foreign oil companies in the Mexican oil development in some manner or other. There are also other indications that the new administration is worried over the heavy drain which Petróleos Mexicanos constitutes on the Mexican Treasury and that Señor Alemán will seek to find a way to permit foreign oil companies to operate again, probably on a contractual basis.

If foreign companies are permitted to operate on some basis in Mexico the new administration will attach much importance to “face saving”. It will no doubt insist, first of all, that subsoil rights remain the property of the Mexican Government and also will probably try to keep away from mentioning the word “concession”. We have heard rumors recently that Señor Alemán was under the impression that the United States Government would grant a loan to Mexico for the commercial development of its petroleum resources. If the subject should come up with any Mexican officials or with persons who appear to be connected with the new administration, you may make it clear to them that this Government will not make such a loan to the Mexican Government.

It is reported that the Standard Oil may send Mr. Laurence Duggan to Mexico in the near future to make an impartial report on the possibilities of the return of American oil companies to Mexico, or at least their participation on some basis in Mexican oil industry. The thought in this connection appears to be that the Standard Oil representatives think in terms of the company’s former operations in Mexico and that Mr. Duggan might have the advantage of being able to look at the situation objectively and submit a more impartial report. If Standard should decide to ask Mr. Duggan to go to Mexico, the Department will make no objection.

With particular reference to the instruction mentioned above, I should mention that in the first paragraph on page 3 the thought is

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62 John W. Carrigan, Chief of the Division of Mexican Affairs (appointed First Secretary and Vice Consul at San José, July 17, 1946); letter not printed.
63 Under Secretary of the Treasury and Public Credit.
64 Petróleos Mexicanos (Pemex), the Mexican Government’s oil monopoly.
65 Paragraph beginning “First, it would be desirable . . . .”, p. 1010.
not that the United States is precluded from taking any initiative, but that if any arrangement should be reached whereby American companies could participate in the Mexican oil industry it should appear in any publicity given the matter that the initiative came entirely from the Mexican Government. In the fourth paragraph on page 3, it is desired to maintain the principle that all foreign companies at least have the legal right to participate. On page 4, under the heading of Mexican Requirements, these are merely some of the points which will probably be emphasized by the Mexican Government, which may of course state other conditions. The statement in paragraph 2 (c) on page 5 may not be entirely clear. This is meant to apply, of course, only to American participation and is a point which probably would not need to be mentioned in any discussions.

The Department of course favors no one particular American company as far as participation in the Mexican oil industry is concerned. There are indications that some of the American companies would like to stage a triumphant return to Mexico. It appears that the Mexicans will attach great importance to face saving and that they will probably insist on avoiding a general impression that the foreign oil companies are “coming back”. We of course have no thought that any of the American companies should participate in the oil industry in Mexico under a subterfuge, but it appears likely that if they do take part in the development of the industry it will have to be on a contractual basis in such a way that the Mexican Government can avoid the appearance of granting outright concessions to foreign interests.

We are enclosing for your information and as a sort of commentary on the formal instruction, a draft record of a meeting which was held in Mr. Clayton’s office on August 19, 1946 with representatives of five of the companies most likely to be interested in the Mexican situation. As the record will show, the companies are not altogether convinced that there is any practical basis at the present time for a satisfactory re-entry into Mexico. There appeared, however, to be no insuperable substantive points in their minds which could not be met by the Mexican Government in the process of detailed negotiations if the Mexicans really want the Americans to participate in their oil industry.

I assume that we will be receiving further comments both orally and in writing from some, if not all, of these companies; and also from certain other companies whose offices were too remote to permit them to participate in the meeting, but who have been provided with copies of the agenda and the record and who have been asked to comment.

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*Not printed.*
Any further advice that we receive will be promptly transmitted to you with our comment, if any is needed.

With all good wishes,

Sincerely yours,

SPRUILLE BRADEN

812.6363/8-2746

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

WASHINGTON, August 27, 1946.

SECRET

No. 209

Sir: Reference is made to the Department's instruction no. 100 of July 24, 1946 forwarding a copy of a letter dated July 8, 1946 from Mr. Leonard F. McCollum, of the Producing Department, Standard Oil Company of New Jersey, outlining his company's position with respect to the possibility of its re-entry into Mexico as an oil producer.

This instruction made further reference to the Department's interest concerning the re-opening of informal negotiations with the Mexican Government in the matter of petroleum and stated that the Department would prepare, for the Ambassador's information and guidance, a comprehensive memorandum covering the salient points of the United States Government's policy regarding petroleum in Mexico. This memorandum, entitled "United States Government's Policy Regarding Mexican Petroleum", is enclosed herewith.

Very truly yours,

DEAN ACHESON

[Enclosure]

WASHINGTON, August 23, 1946.

SECRET

UNITED STATES GOVERNMENT'S POLICY REGARDING MEXICAN PETROLEUM

On March 18, 1938 the Mexican Government, by decree of expropriation, took over the properties of certain foreign owned petroleum companies. Subsequently after an exchange of notes, a basic agreement was reached on November 19, 1941 between the United States and Mexican Governments involving the question of just compensation to be paid to American nationals whose properties, rights or interests were affected to their detriment by acts of the Government of Mexico subsequent to March 17, 1938.

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67 Neither printed.
68 For documentation on this subject, see Foreign Relations, 1938, vol. v, pp. 720 ff.
69 For text, see Department of State Executive Agreement Series No. 224, or 55 Stat. (pt. 2) 1554; for documentation on this subject, see Foreign Relations, 1941, vol. vii, pp. 371 ff. passim.
The initial step in the implementation of the agreement of November 19, 1941 was the preparation and submission of the joint report of April 17, 1942 \textsuperscript{76} by two experts—Morris L. Cooke, for the United States, and Manuel J. Zevada, representing the Republic of Mexico. This joint report placed an evaluation of $23,995,991.00 on the losses sustained by American nationals, including all elements of tangible and intangible value, and provided for interest at three percent per annum from March 18, 1938 to the date of final settlement, on all balances due.

After deducting the $9,000,000.00 deposited in cash by the Government of Mexico at the time of the signing of the agreement of November 19, 1941, the balance due was $20,137,700.84. Thus on September 30, 1943 the Ambassador of Mexico \textsuperscript{77} presented to the Acting Secretary of State \textsuperscript{78} the Mexican Government’s check for $3,796,391.04 representing the amount due at that time under the exchange of notes on September 29, 1943, \textsuperscript{79} implementing the agreement of November 19, 1941. The Mexican Government is paying the balance due in four equal annual installments, each of $4,085,327.45, and it is expected that final payment will be made on September 30, 1947.

Under instructions from this Government the American Ambassador at Mexico City has been carrying on informal conversations with the President of Mexico, \textsuperscript{80} the Foreign Minister, \textsuperscript{81} and other officials, looking to an arrangement whereby foreign petroleum companies may again participate in the development of Mexico’s oil resources.

These conversations have been carried on at a high level, with complete frankness and in the most friendly spirit, and during this period the Ambassador has kept in close touch, on a consultative basis, with the petroleum experts and other interested officials of the Department as well as with some of the representatives of the American oil companies in Mexico City.

In his talks with the President and Foreign Minister of Mexico Ambassador Messersmith has, on frequent occasions, stressed the following points:

(a) Petróleos Mexicanos (the government oil monopoly) has shown that it is incapable of developing the country’s oil resources either efficiently or profitably.

\textsuperscript{76} Department of State Bulletin, April 18, 1942, p. 351.

\textsuperscript{77} Francisco Castillo Nájera.

\textsuperscript{78} Dean Acheson.

\textsuperscript{79} For text of agreement between the United States and Mexico on payment for expropriated petroleum properties, effected by exchange of notes signed at Washington, September 25 and 29, 1943, see Department of State Executive Agreement Series No. 419, or 55 Stat. (pt. 2) 1408.

\textsuperscript{80} Manuel Ávila Camacho, President of Mexico December 1, 1940–December 1, 1946.

\textsuperscript{81} For service as Foreign Ministers, see Ezequiel Padilla (1940–July 12, 1945), and Francisco Castillo Nájera (September 21, 1945–December 1, 1946).
(b) In the event that the Mexican Government sees fit to invite foreign capital to return to Mexico to assist again in the development of Mexico's oil industry, it is important that all American or other foreign companies or other legitimate responsible private interests have equal opportunity.

(c) Mexico would soon face a decline of revenue from other industries as a result of the termination of the war. Mexico was also undergoing a severe drain on its financial resources as a result of the inefficient and unprofitable development of its oil industry by Penex. Mexico could, if assisted substantially by foreign capital, recoup these losses through a more efficient and profitable development of that industry.

(d) When the Mexican Government has made a statement of oil policy, after a full and frank exchange of views between the two Governments, it is contemplated that it will then implement its policy by appropriate legislation. The United States Government does not contemplate taking any part in any agreements which would subsequently be entered into between the Mexican Government and through Petróleos Mexicanos with the United States oil companies and United States private capital.

About 10 months ago Ambassador Messersmith recommended, and the Department concurred, that it was inopportune to carry on these conversations, owing to the confused Mexican political situation.

Following the inauguration of the new President of Mexico on December 1, 1946, it is very possible that the important question of petroleum may be one of the matters brought up for early consideration by the new administration. Consequently the Department deems it advisable that the Ambassador receive a clear exposition of its views well in advance of this date.

First, it would be desirable that the initiative come from the Mexican Government, and that special emphasis be placed on the fact that the United States Government has never entertained any desire to interfere in any way with the freedom of the Mexican Government to determine its own oil policy, and has always been fully cognizant of the sovereign right of Mexico in this respect.

Second, it should be pointed out that the United States Government is naturally anxious to see the potential petroleum resources of Mexico developed and utilized to the furtherance of the financial and industrial well being of Mexico, as well as in the interests of hemisphere security in which both countries are mutually interested.

Third, it should be made clear that the Government of the United States does not take the initiative in recommending, on an intergovernmental basis, any change in the basic Mexican Constitution as it affects the subsoil rights of the Mexican Nation, nor any change in existing petroleum legislation related to those rights. The Government of the United States recognizes the sovereign right of the Mexican Government to determine its own oil policy and legislation. However, the Government of the United States draws the attention
of the Mexican Government to the fact that by its present nationalization of its oil industry, it is not carrying out the spirit of Articles 2 and 6 of the Economic Charter of the Americas signed at Chapultepec on March 7, 1945.\footnote{For text, see Report of the Delegation of the United States of America to the Inter-American Conference on Problems of War and Peace, Mexico City, Mexico, February 21-March 8, 1945 (Washington, Government Printing Office, 1946), p. 120.}

Fourth, special emphasis should be placed on the fact that, in the event foreign capital is re-admitted, the door would be open to nationals of all countries, not merely to American companies.

Fifth, any future informal discussions by the United States Government with the Mexican Government shall, with the same intentions expressed in the past, be held for the purpose of assisting the Mexican Government to work out a solution of its petroleum problems.

Sixth, it should also be made clear that the United States Government's interest in the solution of Mexico's petroleum problems is partly that of a friendly neighbor, offering advice based on experience and knowledge, and partly that of a country holding an important place in world oil affairs with a direct responsibility for the efficient and orderly utilization of world petroleum resources.

Seventh, in the light of very attractive opportunities for development operations in other parts of Latin America, as well as in the Middle East (where American interests are known to be very large), it is questionable whether there is much enthusiasm on the part of American oil companies to return to Mexico or to enter there for the first time. Therefore, if the Mexican Government wants to secure the benefit of American or other foreign oil capital and technical skill, it is incumbent on the Mexican Government to make clear-cut, well-defined proposals that hold some reasonable prospect of being attractive to the American or other companies.

Eighth, it is apparent that Mexico's position and prestige in the Western Hemisphere as a world petroleum producing country have declined relative to other Latin American producing countries, such as Venezuela, Colombia and Peru. Consequently a desire on the part of Mexico to improve its national economy, recoup its losses from other industries coinciding with the termination of the war, and increase its known and potential reserves of petroleum, might suggest to the Mexican Government the wisdom of a change in its attitude towards inviting foreign capital back to Mexico to assist in developing its petroleum resources.

In studying a plan of action for re-opening the negotiations on petroleum with the Mexican Government, and reviewing the various methods of approach to the problem, it might be advisable to outline briefly here the basic requirements of the three principal entities in-
interested, namely, (1) the Mexican Government, (2) the United States Government, and (3) the foreign oil companies.

(1) Basic Requirements of Mexican Government:—

(a) the subsoil rights and titles to petroleum must remain perpetually in Mexican hands.

(b) the domestic distribution and marketing should also remain Mexican, and domestic demands for petroleum must be fully satisfied at reasonably low prices, before any petroleum is exported.

(c) Mexico must receive an equitable share in all benefits derived from the development of its petroleum industry.

(d) the development and production must proceed in an orderly fashion with no avoidable waste of Mexico’s natural resources.

(e) Mexico must receive technical, financial and commercial assistance in the development of its petroleum industry, and its nationals must receive the maximum of training and employment at fair rates of compensation.

(f) any plan adopted must be face-saving to former President Lázaro Cárdenas, Labor Leader Vicente Lombardo Toledano, and at the same time palatable to the Mexican public.

(2) Basic Requirements of the United States Government:—

(a) United States private industry should be permitted to contribute to the development of crude production and reserves in Mexico and to the distribution of exportable Mexican surplus production to foreign markets, at least to the extent of United States capital, capabilities, and technical skill.

(b) in case of an emergency and in connection with hemisphere defense, in which both the United States and Mexico are mutually interested, the United States should have first call on all surplus production (over and above Mexico’s needs) so that the utilization of this oil may be mutually beneficial to the defense of both countries.

(c) any plan adopted, and all contracts under such a plan, must be in harmony with the political and economic policies of the United States Government.

(3) Basic Requirements of the American Oil Companies:—

(a) the companies must have security of title to any rights acquired whether by concession or by operating contract, and a corresponding security for their investment over a long period of time.

(b) the companies must have the opportunity to earn profits commensurate with their investment and with the risks involved; and they must be free to remit such profits to their home offices.

(c) the companies must have reasonable time, during the exploration and exploitation periods, to develop any oil they may discover, along economic and efficient lines, as required by the best modern practice.
(d) the company would, under its contract, employ the maximum amount of Mexican labor consistent with efficient operation, and would train and advance its Mexican personnel in all phases of its operations. However, the relationship between the company and labor must be satisfactory and mutually beneficial both to the company and to labor, and regulations covering this relationship must be such that the petroleum industry may rapidly reach a goal of high productivity beneficial to both the Mexican Nation and to foreign capital.

Several plans for the re-admission of foreign oil companies into the Mexican petroleum industry have been discussed informally during the past three years between the Ambassador and Mexican officials on the one hand, and between the Ambassador and representatives of the oil companies on the other. There has been considerable exchange of correspondence between the Embassy and the Department covering these various plans or methods; however, it might be advisable to review them briefly here at this time pointing out their advantages and disadvantages.

[Here follows a review of three plans, their advantages and disadvantages: (1) the Wiechers Plan, (2) The Townsend 25-Year Plan and (3) the Thornburg Contracting Proposal.]

It will be seen from the foregoing that none of these plans has fitted satisfactorily into the framework of the Mexican petroleum situation.

There is one method, however, which has not been discussed and which would involve a type of operating management and participation contract between the foreign oil company and the Mexican Government.

This would not be a concession type of contract, and consequently would not in any way involve the question of subsoil rights. The highlights of this contract would be as follows:

(1) In accordance with a Presidential Decree, confirmed by the local congress, a prospecting zone of suitable size would be set aside, and the government would thereupon be authorized to enter into contracts for operations of petroleum prospecting for a term of years subject to the condition that the foreign contractor would periodically surrender, and free from the contract in say five, ten, fifteen or twenty years, etc., substantial portions of the zone which apparently did not give evidence of oil-bearing possibilities.

(2) The contract would provide for certain drilling obligations on the part of the foreign contractor within stipulated times governed by regulation.

(3) Two separate contracts would be used, one for the investigation or prospecting period and the other for the exploitation period.

The executive authority of the Mexican Government would be empowered to grant, under the investigation contract, exclusive rights for the foreign contractor to select individual prospecting zones, divided into claims of 10,000 hectares each. There would be no limitation on the total number of the claims constituting the zones of investigation.
Subsequently the contractor would be permitted to select individual exploitation areas of specified size, not to exceed a particular number of hectares per discovery well.

(4) The period of duration of the investigating contracts would be four years extendible for an additional four years, with the condition that at least one well shall have been started during the first four years.

(5) The period of duration for the exploitation contracts would be fifty years.

(6) Under the contract the executive authority would be empowered to credit to the account of the foreign contractor all investments made by him, which investments would either be reimbursed out of the product obtained or be cancelled in the event that the contractor should avail himself of the right granted to him to terminate his contract.

(7) The executive authority would be further empowered to establish in contracts, the apportionment that is to be made of the proceeds obtained so as to reimburse the investments made, cover the costs and expenses of exploitation, and leave a satisfactory compensation for the contractor, assuring for the Mexican Government a return of 35 per cent of the net profits of the exploitation, which return is approximately equivalent to the amount the Mexican Government would expect to receive from royalties and taxes.

(7a) As an alternative to the arrangement under (7) above, the following royalties could be used:

The contractor would deliver to the Mexican Government as royalty, during the first 15 years of exploitation, the following percentages of crude oil extracted, on the basis of the daily average of each month; from one barrel to five thousand barrels as the daily average in the month, 12 per cent; from five thousand and one to ten thousand barrels as the daily average in the month, 13 1/2 per cent; and ten thousand and one barrels and upwards as the daily average in the month, 15 per cent.

Further, the contracts covering petroleum prospecting, investigation and exploitation would authorize the contractor to operate in the name and representation of the Mexican Government, as contractor of said operations, and to receive as compensation, after deduction of the royalty to be paid to the Mexican Government by said contractor the remainder of the gross petroleum extracted. (Note:—For the Embassy’s information this section (7a) is taken, in toto, from the contract of October 1944 between the Union Oil Company of California and the Paraguayan Government.

(8) The foreign contractor would be exempt from all fiscal and municipal taxes.

(9) He would further receive exclusive control in the installation and exploitation of refineries and pipelines for the entirety of the petroleum products obtained by him, with the understanding that a percentage of the net profits from the operations of these facilities would go to the Mexican Government in lieu of any and all other charges, royalties, imposts or taxes.

(10) The foreign contractor would also enjoy absolute control of the administration of the enterprise.

(11) He would further be permitted to import, free of customs duties, such machinery and equipment that he deemed necessary for
the operation, and simultaneously be permitted to export, free of
duty, petroleum and its derivatives over and above the internal re-
quirements of the country.

(12) The executive authority would permit, upon request of the
contractor, the immigration into Mexico of the foreign personnel nec-
essary to carry on an efficient and economical enterprise.

The above stipulations represent the salient features of such a con-
tract, which would, of course, also include a number of other general
provisions usually found in contracts of this type, including arbitra-
tion clauses, rights of termination, surface taxes per hectare of land
paid annually under both the investigation and exploitation contracts,
force majeure clauses, etc., etc.

In this connection it is interesting to note that this general type
of operation-management-participation contract is now being satis-
factorily used by one of the American oil companies in the develop-
ment of the petroleum resources in the Paraguayan Chaco.

It is quite evident that the word "concession" has become anathema
to certain Mexican officials and to the Mexican public, and that prob-
ably the only way for foreign capital to return and participate in
the Mexican petroleum industry will be under some form of contract
similar to the one just described above.

The rights of a foreign company under this type of contract may
not seem as secure, to the legal minds representing that company, as
those usually granted in the past under the concession type of con-
tract. However, the history of the expropriation of American capi-
tal by foreign governments during the past ten years indicates clearly
that no rights, not even concessional ones involving an interest in
the subsoil, are necessarily safe. Consequently it can be argued realis-
tically now that the right to develop the petroleum resources of an-
other country under a contract comprising operation, management
and participation, as described above, will probably be just as safe
for foreign capital as the concessional rights used in the past.

THE QUESTION OF A POSSIBLE LOAN BY THIS GOVERNMENT TO THE MEXICAN
GOVERNMENT FOR THE DEVELOPMENT OF MEXICAN OIL RESOURCES

Reference is made to the Department's secret instruction no. 8098
of November 8, 1945 78 with which was enclosed a memorandum for
the President from the Secretary of State, dated October 11, 1945.79

That memorandum, which was approved and signed by the Presi-
dent on October 13, 1945, confirms the decision that no government loan

79 Not printed.
can be considered by the United States Government for the commercial development of Mexican petroleum resources.

In conclusion, the salient points covered by this memorandum to clarify the Mexican petroleum problem as it exists today, and to outline the United States Government's policy regarding Mexican petroleum, may be summarized as follows:

Mexican economy, after nine years of inefficient and unprofitable management of its petroleum resources by Pemex, which exemplifies the heaviest drain on the financial resources of that country yet made, is badly in need of a revitalization of its petroleum industry. However, the initiative must come from the Mexican Government; and it is believed that the new Alemán administration will soon wish to open conversations with representatives of this Government for the purpose of working out a solution.

It is quite logical that Mexico should turn to the United States for assistance in the solution of this problem, first because of the geographic location of the two countries and the vital importance of hemisphere defense to both, and secondly because the United States has a real contribution to make due to the high degree of experience and skill developed in the United States and abroad in exploring for and producing oil. A further important factor is the supreme position of American manufacturers of oil well machinery and refining equipment.

Next, it is evident that no matter what move is made and decisions reached by Mexico, the United States Government and the foreign oil companies in reaching a solution to this problem, a minimum amount of political face-saving on the part of certain Mexican officials must be accounted for and appropriately provided.

It will have been seen from pages 5 and 6 of this memorandum that there exist certain basic requirements on the part of the Mexican and United States Governments and the foreign oil companies which are essential and vital to the interests of each. However, these requirements are not so far apart that they cannot be reconciled to the mutual benefit of each.

Finally, in the light of the above, it appears to the Department that a successful solution of this Mexican petroleum problem may eventually have to be based on the utilization of some form of operation-management-participation contract similar in general character to the one described previously.
ARRANGEMENTS BY THE UNITED STATES AND MEXICO REGARDING THE TEMPORARY MIGRATION OF AGRICULTURAL AND OTHER WORKERS INTO THE UNITED STATES

811.504 Mexico/1–346

The Department of State to the Mexican Embassy

MEMORANDUM

Reference is made to the Mexican Embassy’s memorandum no. 16 of January 3, 1946, in regard to the clandestine entry into the United States of Mexican workers through the zone between Mexicali, Lower California, and San Luis, Sonora.

A copy of the memorandum has been transmitted to the Immigration and Naturalization Service of the United States for consideration, and the subject has also been discussed with a high official of that Service who participated in the conversations in Mexico referred to in the second paragraph of the memorandum. The official informally stated that the Service was much concerned over the same question because of the great number of Mexican workers entering this country in spite of the careful supervision maintained by that Service and in spite of the fact that approximately six thousand Mexican workers who have entered illegally, for the most part through the zone mentioned, are returned to Mexico each month at great expense to this Government. The official stated that the memorandum would be given every consideration but that it was his belief that successful control of this movement could only be brought about by the establishment of a parallel supervisory system by the Mexican Government in the zone under reference to prevent the departure of these workers from Mexico.

WASHINGTON, January 14, 1946.

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57 Not printed; it indicated that the Mexican Embassy requested cooperation of the United States in taking necessary measures of vigilance in the zone between Mexicali, Lower California, and San Luis, Sonora, through which it was reported that approximately 300 Mexican workers entered the United States illegally each day (811.504 Mexico/1–346).
58 In this paragraph reference is made to United States-Mexican conversations held in Mexico, May–June, 1944, resulting in an agreement, signed on June 2, 1944, that the Governments of both countries would increase their measures of vigilance to impede illegal migration of Mexican workers and to return the illegal entrants from the United States to Mexico. For documentation on this subject, see Foreign Relations, 1944, vol. VII, pp. 1230 ff.
The Ambassador in Mexico (Messersmith) to the Secretary of State

RESTRICTED

MEXICO, D.F., January 31, 1946.

No. 28,212

[Received February 7.]

Sir: Reference is made to my Despatch No. 28,200 of January 29, 1946. ... regarding illegal entrants into the United States.

I now have the honor to inform the Department that at my request Mr. O'Donoghue of the Embassy staff this morning called on Dr. Manuel Tello, the Under Secretary for Foreign Affairs and left with him an informal memorandum dated January 29, 1946, a copy of which is attached hereto. Mr. O'Donoghue discussed the question of these illegal entrants into the United States with Dr. Tello and there is attached a copy of a memorandum reporting this conversation.

Respectfully yours,

GEORGE S. MESSERSMITH

[Enclosure]

Memorandum of Conversation, by the First Secretary of Embassy (O'Donoghue)


I called at the Foreign Office this morning and left with Dr. Tello, the Under-Secretary of Foreign Relations, the original of the attached informal memorandum of January 29, 1946, regarding Mexican nationals illegally in the United States. I told Dr. Tello that I felt sure he would recall the conversation we had had last year at the time the authorities of Baja California had closed the borders of that State to Mexican deportees and voluntary returnees from the United States unless they could prove that they had for six months prior thereto been residents of Baja California; I said that as a result thereof our Immigration Service had been returning a considerable number of such individuals to Mexico through the ports of El Paso, Texas, and Nogales, Arizona, but that even in such cases there had been difficulty in arranging for transportation over the Mexican lines to the interior of Mexico. I said that I recalled that some time this month the Mexican Embassy in Washington had protested or at least made representations to the State Department respecting the number of these Mexicans illegally in the United States and who it was desired should be returned to Mexico. I told Dr. Tello that there were more than 10,000 such Mexicans now estimated to be in the Imperial Valley in California where they were creating quite a civic problem; that the United States Immigration and Naturalization Service was doing what it

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82 Not printed.
84 Sidney E. O'Donoghue, First Secretary of Embassy.
could to return these individuals to Mexico and at the moment was having some success inasmuch as the authorities of Baja California had requested up to 3,500 such migratory workers for the cotton picking season. I added that this was all very well at the moment but that when this cotton picking season was over most probably Baja California would once again close its borders and refuse to permit the return of Mexicans illegally in the United States.

I said to Dr. Tello that we had recently received an exhaustive report in regard to this question and that it appears there is practically no Mexican immigration patrol on the Mexican side of the border for hundreds of miles in the area of Baja California; that it is obviously impossible for the United States Immigration Patrols to carry out this control by itself. I said I did not know what the solution of the problem might be but that it had occurred to me that if the President of Mexico should authorize the recruiting of agricultural labor for 1946, it might be possible to set up a recruiting center near, but not too near, the border where many of these Mexicans now illegally in the United States might be brought for contracting and permitted to enter the United States under perfectly legal conditions.

Dr. Tello said that he has been for some time concerned over the existing condition and that as long as I had brought these facts now to his attention he would talk with the Foreign Minister and also discuss the problem with the Ministry of Gobernación which is responsible for the patrols.

I have no hope that anything constructive will result from this conversation but I do feel that it gives us a little protection in view of the requests which the Mexican Embassy in Washington will most probably continue to make for the return of these aliens illegally in the United States.

S. E. O'DONOGHUE

811.504 Mexico/1-2546

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

RESTRICTED

WASHINGTON, February 13, 1946.

No. 8387

Sir: Reference is made to the Embassy's despatch no. 28,081 of January 25, 1946, in regard to recruitment in 1946 of Mexican agri-


denot printed; in it Ambassador Messersmith reported on discussions with respect to the recruiting program with the Mexican Foreign Minister, Francisco Castillo Nájera, President Manuel Ávila Camacho, and the Minister of Labor, Francisco Trujillo Guerra, who stated that no objection was perceived to the proposed recruiting program providing it was made subject to certain conditions. A memorandum of January 23 enclosed in the despatch outlined the three conditions as follows: (1) No Mexican worker would work in the states of Illinois, Indiana, Michigan, Minnesota, Wisconsin, Colorado, Montana, and Wyoming; (2) changes would be made in the Individual Work Agreement, principally in those chapters relative to wages and medical attention; and (3) the number of special Mexican inspectors (collaborators) would be increased to 20 (811.504-Mexico/1-2546).
cultural workers under the agreement between this Government and the Government of Mexico, dated April 26, 1943. The last paragraph of the despatch states that because of the conditions laid down by the Mexican Minister of Labor, Colonel Wilson R. Buie of the Office of Labor of the Department of Agriculture, who had been in Mexico to arrange for recruitment in 1946, had returned to the United States to clear the three conditions placed by the Mexican Government as a prerequisite to authorizing further workers for the United States.

In telephone conversations with an officer of the Division of Mexican Affairs, Mr. Howard Preston of the Office of Labor has informed the Department that the first condition prohibiting the use of workers in nine States was causing considerable embarrassment to the Department of Agriculture in view of the fact that Congressional authorization of funds was made with the cooperation of representatives of the States listed, who understood that labor needs of those States would be given appropriate consideration in the distribution of Mexican agricultural workers. Mr. Preston further stated that the Department of Agriculture would no doubt wish to request the assistance of the Department and the Embassy to the end that the condition in regard to the use of workers in those States be withdrawn by the Mexican Government. To date, such a communication has not been received.

There is enclosed, however, for your information a copy of a memorandum of telephone conversation which took place on February 8, 1946, between Senator Robert M. La Follette, Jr., of Wisconsin, and an officer of the Department in regard to the above-mentioned condition as it refers to the State of Wisconsin. It will be noted in the memorandum that Senator La Follette asked the Department to request specifications from the Mexican Government as to the nature of the discrimination or other circumstances which gave rise to the restriction, and that he also expressed the hope that the condition would be removed as Wisconsin was in need of labor and hoped to secure some relief through the bringing in of agricultural workers under the Agreement of April 26, 1943. It is very probable that other members of the Senate or of the House of Representatives will approach the Department on the same subject, and you will be promptly informed if such is the case.

The Department has been informed by telephone that Colonel Buie and Mr. Preston intend to return to Mexico City about February 16 to discuss the conditions of recruitment further with you and with

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88 For text, see Department of State Executive Agreement Series No. 351, or 57 Stat. (pt. 2) 1152; for text of original agreement of August 4, 1942, see Executive Agreement Series No. 278, or 56 Stat. (pt. 2) 1750; for documentation on the negotiation of these agreements, see Foreign Relations, 1942, vol. vi, pp. 537 ff., and ibid., 1943, vol. vii, pp. 531 ff.
89 Not printed.
the Mexican Government. In view of the circumstances set forth above, the Department is of the opinion that it would be very desirable for you, in your discretion, to give every appropriate assistance toward the removal of this condition and to secure an explanation thereof which can be communicated to Senator La Follette and others interested in this problem. The Department of course has no objection to your discussing this matter informally with officials of the Mexican Government prior to the arrival there of Messrs. Buie and Preston if you consider such a step preferable to handling the matter while they are present.

You are also authorized, in your discretion, to request the Mexican Government formally for permission for the Department of Agriculture to conduct recruiting, during 1946, for the maintenance of up to 54,000 workers at any given time in the United States.

If you take the matter of the condition up with representatives of the Mexican Government prior to the arrival of the representatives of the Department of Agriculture, you may be asked about this Government’s attitude as to the second and third conditions laid down, as listed in the memorandum of January 23, 1946, which was the enclosure to the Embassy’s despatch no. 28,031, under reference. These two points have been discussed by telephone with Colonel Buie’s office, which has stated that you may make the following statements if you so wish:

The Department of Agriculture does not know just what the Mexican Government has in mind in regard to wages, but its representatives, upon arrival in Mexico City, will be glad to discuss the question thoroughly with the representatives of the Mexican Government with a view to reaching a mutually satisfactory understanding. In regard to medical attention, the Department of Agriculture feels that the medical care made available to the Mexican workers is of a high caliber and that there have been relatively few complaints, which have originated through the failure of some employers to understand the benefits to which the Mexicans are entitled. The Department of Agriculture is prepared to redouble its efforts to see that the medical care provided is made available to all workers. In regard to the last condition, the increase of Mexican collaborators to twenty, the Department of Agriculture indicates that if condition one is sustained, the use of Mexican workers will be confined to so limited an area that it is of the opinion that additional collaborators would not be needed. However, if condition one is removed and if the Mexican Government feels that the use of additional inspectors or collaborators is necessary, the Department of Agriculture will be prepared to make provision for them.
The text of this instruction has been cleared with the Office of Labor of the Department of Agriculture by telephone in order that there may be no question as to the viewpoint of that office.

Very truly yours,

For the Secretary of State:

Dean Acheson

Under Secretary of State

811.504 Mexico/2-1646

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

No. 28,528

Mexico, D.F., February 16, 1946.

[Received February 22.]

Sir: Reference is made to my despatch No. 28,279 of February 12, 1946, respecting the unfavorable publicity being given by the local press to the desire of the Department of Agriculture to recruit Mexican agricultural workers for employment in the United States under the Agreement of April 26, 1943. It will be recalled that this publicity was in part the result of the publication in the United States of a letter from Secretary of Agriculture Anderson to Senator Wheeler of Montana respecting the Mexican prohibition on the employment of Mexican labor in that State among others.

I now have the honor to transmit herewith a clipping from Excelsior of February 15 giving the substance of an Associated Press despatch of the day previous from Washington. It will be noted that in this despatch quotation is made from a letter addressed by Secretary Anderson to Representative Crawford of Michigan and, further, certain quoted statements in a tone somewhat disparaging to Mexico are attributed to Representative Crawford.

I am also transmitting herewith another clipping from Excelsior of today's date containing a statement issued by Licenciado Trujillo Gurria, the Minister of Labor. Licenciado Trujillo Gurria gives the reasons impelling him to prohibit the employment of Mexican labor in certain States in the United States, these being the fact that the salaries paid to Mexican workers in those States had been less than those paid to American labor, the subterfuges of employers in computing wages of the Mexican workers, lack of medical attention, and poor living conditions.

As I stated in my despatch under reference the undue publicity given in the United States to letters from Secretary Anderson respecting the possibility of the employment of Mexican agricultural workers cannot help but have an adverse effect upon the possibility of being able to contract Mexican labor during 1946.

80 Not printed.
I have now officially asked the Mexican Government for permission for the Office of Labor, Department of Agriculture, to contract Mexican agricultural workers and to maintain in the United States up to 54,000 of such during the present calendar year. I believe that it will be possible to obtain the Mexican Government's consent to this contracting, always provided that the matter is discreetly handled. However, in view of the recent publicity emanating from Washington and appearing in the local press, I doubt very much if it will be possible now to obtain permission to employ Mexican workers in Illinois, Indiana, Michigan, Minnesota, Wisconsin, Colorado, Montana, and Wyoming.

When Colonel Buie, the Director of the Office of Labor, Department of Agriculture, was in Mexico in the latter part of January, he conferred with Licenciado Trujillo Gurria, at which time the Mexican Minister of Labor had insisted that no Mexican workers would go to any State in the United States where sugar beets were grown. After much discussion, the Minister was persuaded to recede from this stand to the extent that the prohibition would only apply to the States mentioned above. At the time of this conference Colonel Buie was informed as to the reasons why the Minister would not permit Mexican labor to go to the States in question.

Respectfully yours,

George S. Messersmith

811.504 Mexico/2-2146

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

No. 28,561

Mexico, D.F., February 21, 1946.

[Received March 1.]

Sir: Reference is made to the Department's Instruction No. 8387 of February 12, 1946, and related correspondence in connection with the desire of the Department of Agriculture to contract up to 54,000 Mexican workers during 1946 under the Agreement of April 26, 1943. A formal request was made to the Foreign Office on February 12 to this end and requesting that the prohibition of the employment of Mexican workers in certain States be eliminated or at least eased.

I now have the honor to transmit herewith a copy and translation of a Note dated February 16, 1946,\textsuperscript{2} from the Ministry for Foreign Affairs stating that the Mexican Government is agreeable to this recruiting by the Office of Labor of the Department of Agriculture provided certain conditions with respect to employment and the individual contracts are cleared between representatives of that Office and the Ministry of Labor. The Note states, however, that so far as lifting the ban on employment in certain States is concerned, that

\textsuperscript{2} Not printed.
"the statements made by officials and representatives of the United States published in the press of this capital yesterday and to which the Minister of Labor referred in his statement of today, lead me to the belief that the inclusion of the mentioned States will not now be possible."33 The statement made by the Minister of Labor was transmitted to the Department with my Despatch No. 28,528 of February 18 [16], 1946.

Mr. Howard Preston, the Deputy Director, Office of Labor, Department of Agriculture, is now in Mexico and within the next few days will discuss with officials of the Ministry of Labor the necessary amendments to the Individual Work Agreement to which reference has been made. The Embassy will continue to give Mr. Preston all assistance possible to the end that his visit may be a successful one.

Respectfully yours,

GEORGE S. MESSERSMITH

811,504 Mexico/3–846

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

No. 28,742

MEXICO, D.F., March 8, 1946.

[Received March 15.]

Sir: Reference is made to the Embassy’s despatch no. 28,704 of March 2, 1946, entitled “Recruiting of Mexican Agricultural Workers Under the Agreement of April 26, 1943”34 with which were transmitted a memorandum of a conversation between Ambassador Messersmith and Colonel Buie of the Department of Agriculture as well as two memoranda of amendments to the individual worker’s agreement and administrative measures prepared by the Mexican Minister of Labor for discussion prior to the inauguration of the recruiting program.

I now have the honor to inform the Department that Colonel Buie left Mexico for Washington this morning in order to inform the Secretary of Agriculture as to the results of his negotiations with officials in the Ministry of Labor. Colonel Buie has informed the Embassy that following his last conversation with Licenciado Fernández del Campo of the Ministry of Labor he inquired whether he could inform Secretary Anderson that agreement had been reached on all the points raised by the Minister of Labor and was told that he could so advise Mr. Anderson. Colonel Buie added that the only question still out-

33 In despatch 28,675, February 27, from Mexico City, Ambassador Messersmith reported that the Embassy had received a note of February 21 from the Mexican Foreign Office in response to the Embassy’s note requesting that the ban be lifted against the States of Illinois, Indiana, Wisconsin, Minnesota, and Colorado. The Mexican note indicated that the sending of workers to the five states named would not be permitted, but that the 54,000 workers might be contracted. (811,504 Mexico/2–2746)

34 Not printed.
standing was that of the minimum wage guarantee. The Mexicans had suggested that this guarantee be placed at 50 cents per hour and Colonel Buie’s counterproposal, which he thinks will be acceptable, is at the rate of 37 cents an hour.

Although Colonel Buie has returned to Washington Mr. Howard Preston, the Deputy Director of the Office of Labor, Department of Agriculture, is still in Mexico and will clear up final details of the negotiations.

Respectfully yours,

For the Ambassador:
SINDEY E. O’DONOGHUE
First Secretary of Embassy

811.504 Mexico/3–1846

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

[Extracts]

No. 28,798 MEXICO, D.F., March 18, 1946.
[Received March 22.]

Sir: I have the honor to refer to recent correspondence . . . with respect to the recruiting program of Mexican agricultural workers under the agreement of April 26, 1943.

I now have to inform the Department that on March 15 I had the opportunity to have a long conversation with the President of Mexico in his home at Los Pinos. . . .

. . . I emphasized particularly the food situation throughout the world and the tremendous burden falling on the United States and the sacrifices which we were making to make grains and fats available as well as other foodstuffs. . . . I emphasized the importance of the collaboration of Mexico in this program and brought out the fact that Mexico was still a deficit country in wheat and corn and fats which deficits we were selling and intended to continue to sell to Mexico in spite of the shipments to other areas as we knew that Mexico was not importing a single bushel of grain or a single pound of fat beyond her minimum needs.

The President said that he had heard what I had to say with the greatest interest, particularly with regard to the world food situation. He was fairly familiar with this situation. He realized the importance of this situation. He said that I knew that when we had approached Mexico at the outset for workers during the war that he had immediately given the necessary instructions for the carrying through of such a program. He said that irrespective of criticism from many
sources in Mexico he had taken the energetic action which he had as a matter of principle and as a matter of collaboration and governed by no other considerations.

He said that when the war ended he thought it would be desirable to have the Mexican workers return on the expiration of their contracts in an orderly manner and that my Government had been in agreement and that my Government had been very helpful in bringing about that orderly return. He said that later when he got word from us that we needed more agricultural workers during 1946, he did not need any more than this word from us and he took it for granted that we needed them. He felt that it was necessary for Mexico to continue to collaborate in this program during 1946 as a matter of principle and as a matter of collaboration between the two countries, just as during the war.

He then went on to say that he had given the necessary instructions that the program was to be continued so far as Mexico is concerned during 1946. After he had given these instructions the Minister of Labor had indicated to him that he thought with the renewal of the agreement it would be desirable to make certain changes therein in order to correct certain deficiencies. The President said that he had given instructions that the Minister of Labor might seek and should, of course, seek proper improvements in the contracts, et cetera, but that the principal thing was for the program to continue.

The President then went on to say that he had noted what I had said concerning possible criticism of Mexico in the United States if this movement did not go on and particularly if Mexico would not send workers to the eight states mentioned in a note of the Foreign Office. He said that he had also noted that this vociferous comment in the United States would make it more difficult for our Government to see that Mexico got her deficits in wheat and corn and fats. The President then said that he knew that I knew that he had seen to it that this program went forward during the war and that he would see that it went forward during 1946, but that he was doing it as a matter of principle and of collaboration. He then made the significant remark that no matter what politicians and newspapers and others might say in Mexico, he would not pay any attention to it any more in the future than he had in the past. He said that he had the conviction that in the United States no matter what politicians and newspapers and interested persons might say we would act on principle and understanding and collaboration as we had in the past. He said no matter whether Mexico got any wheat or corn this program was going forward because he was permitting these workers to go as a matter of principle and collaboration. He said that he was sure that the Government of the United States in matters affecting wheat and corn for
Mexico and general problems in connection with the relations of Mexico would be governed by principle and by the spirit of collaboration rather than by talk of politicians on either side of the border.

... In his statements to me during the conversation under reference in this despatch, the President showed a really statesmanlike and most understanding attitude.

When I asked the President whether the statements had reference to workers going to the eight states excluded in the note of the Ministry of Foreign Relations as well as to the other states for which we are now negotiating, the President said emphatically that he had in mind those states as well. He said there had been adequate ground for Mexico to exclude these eight states mentioned in the note from the conversations in progress but that he wished the collaboration to be complete and he was confident that our Government would see that the workers going to these eight states received proper treatment and in every way equitable treatment. I said he could depend on this.

[Here follow indications of the intention of the President and the Ambassador to collaborate in expediting the program and in keeping down statements and comments in the press by Government officials in Mexico and the United States.]

I said to the President that the conversations now going on were proceeding satisfactorily but there remained the point of difference as to the minimum wage. I said that the present minimum wage in the contracts was 30 cents per hour. I said that we could not put more than 37 cents in the contract as the minimum hourly wage and explained to him the reasons therefor. I explained to him that it made small difference what sum was put into the contracts as the minimum wage for even when the amount in the contracts was 30 cents his own Ministry of Labor would be able to say to him that the overwhelming number of the Mexican workers had received 40 to 50 and 60 cents an hour. I said that the minimum wage that we put into the contract which we were now prepared to make at 37 cents was largely theoretical as the agricultural workers which would proceed to the United States would in almost every instance receive very considerably in excess of that minimum wage.

It is our hope that we may be able to conclude the conversations and arrangements for the movement of workers during 1946 within the next ten days so that recruiting can begin.

I cannot emphasize too strongly that in a very large measure it will now depend upon us whether we will get these agricultural workers during 1946. If there are unwise statements in the press at home
or here and particularly if there is reference to the eight states there is still the possibility and strong probability that the whole program will be lost.

At the close of our conversation the President indicated that he would on the conclusion of the conversations here make a statement, or have a statement made, to the effect that Mexico was continuing her collaboration with us through the sending of these agricultural workers in view of the food deficits in Europe and the imperative need for mass production and in view of the fact that the great burden for supplying these deficits would fall on the United States and it was, therefore, Mexico’s duty to collaborate with the United States in meeting this burden by sending these workers. I told the President that if he made such a statement I was confident that the Mexican press and public would have a greater understanding than ever before of the program and that much of the criticism of the program would disappear.

The President remarked that it was in his opinion very important that there be as few complaints as possible coming back to Mexico with regard to discriminatory treatment, et cetera, of Mexican workers who would go to the United States. He said that he knew to what extent we were taking measures to see that only equitable treatment was given. He said, however, that every single case of discrimination or unequal treatment which was reported created grave difficulties here for the Government and that he was, therefore, very hopeful that our Government could take every possible measure, particularly in the eight states, to see that the most equal treatment was given to the workers in every way.

Respectfully yours,

GEORGE S. MESSERSMITH

811.504 Mexico/2–2546

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

RESTRICTED

WASHINGTON, March 18, 1946.
No. 8478

Sir: Reference is made to your despatches no. 28,200 of January 29, 1946,93 and no. 28,212 of January 31, 1946, and to previous communications between the Embassy and the Department, regarding the clandestine crossings of Mexican nationals into the United States and the desirability of control measures. There is now enclosed for your information a copy of a letter dated February 25, 1946, from the Attorney General,94 who stresses that the Immigration and Naturaliza-

93 Not printed.
94 Letter from the Attorney General of the United States, Tom C. Clark, not printed.
tion Service has cooperated in every possible way to remedy the existing situation and urges that efforts be made to have the Mexican Government first, lift the ban on deportation of Mexican nationals to Lower California, second, take such steps as may be possible to prevent the removal of Mexican nationals from the interior of Mexico to the border, and third, arrange in so far as possible for the transportation to their homes in the interior of Mexico of those Mexican nationals returned to Mexico by this Service. There are also transmitted for your information the enclosures to the Attorney General’s letter of February 25. One of those enclosures, it will be noted, is a copy of a letter dated January 24, 1946, which the Department received direct from the Immigration and Naturalization Service on the same subject.

In view of the fact that this difficulty in controlling clandestine border crossings is somewhat chronic and in view of the fact that the steps requested by the Attorney General are included in or stem from the special arrangement which was made in Mexico City in May and June of 1944, which have not been carried out by the Mexican Government, the Department questions the effectiveness of a further formal request to the Mexican Government on this subject at the present time. However, since the recent request to increase vigilance originated with the Mexican Government and since you have discussed the matter recently informally there, it might be desirable for you or some member of your staff to discuss the matter informally with responsible Mexican officials with a view to making clear to them that this Government is very actively working to control this movement, but that its efforts have not been successful in large part because the Mexican Government has apparently not taken the steps which it agreed to take in the understanding reached in 1944.

The Department will appreciate being informed of the nature of any conversations held on this subject and will also appreciate having your comments in order that the Department may prepare an appropriate reply for the information of the Attorney General.

Very truly yours,

For the Secretary of State:

Spruille Braden

811.504 Mexico/5-1446

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

No. 29,471

Mexico, D.F., May 14, 1946. [Received May 20.]

Sir: Reference is made to the Department’s Instruction No. 8498 of March 25, 1946, authorizing the Embassy to enter into an exchange

87 None printed.
88 Not printed.
of Notes with the Mexican Government in order to incorporate in the Agricultural Workers’ Agreement of August 4, 1942, as amended April 26, 1943, between the Government of the United States and the Government of Mexico, changes in the Individual Work Agreement as well as in the International Agreement. It will be recalled that prior to this exchange of Notes the changes in question had been agreed upon informally by representatives of the Office of Labor, Department of Agriculture, and officials of the Mexican Ministry of Labor.

In this connection I have the honor to transmit herewith a copy of the Embassy’s Note No. 4905 of March 26, 1946, to the Mexican Foreign Office respecting the changes to be made in the International Agreement, as well as a copy of the Embassy’s Note No. 4909 of March 30, 1946, in regard to the changes effected in the Individual Work Agreement.99

There are also transmitted copies and translations of two Notes, respectively, No. 3427 and No. 3248 [3428?], both of April 30, 1946,1 agreeing to the proposed changes...

Respectfully yours,

For the Ambassador:

SYDNEY E. O’DONOGHUE
First Secretary of Embassy

811.504 Mexico/7-146

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

WASHINGTON, August 16, 1946.

No. 176

Sir: Reference is made to... much previous correspondence between the Department and the Embassy on the subject of clandestine and illegal entries into the United States by Mexican nationals to seek agricultural employment.

In the communications under reference, the great problem presented to the Immigration and Naturalization Service by the large number of illegal entrants has been amply set forth, and to date the principal problem has been the detention and return to Mexico of such individuals who have been apprehended in the Imperial Valley. There is now enclosed for your information a further communication on this general subject, dated July 1, 1946, from the Attorney General, to-

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99 Notes not printed. Agreement was reached on the following changes in the Individual Work Agreement: (1) Guarantee of minimum wage of 37 cents per hour in lieu of 30 cents per hour; (2) guarantee of sufficient employment to earn a minimum of $33.60 every two weeks; and (3) discontinuance of the savings fund provisions.

1 Neither printed.
gether with a copy of a memorandum prepared by the District Director of Immigration of the Los Angeles District, indicating that the San Diego area has become as great a problem in this regard as the Imperial Valley. The Attorney General stresses the necessity of immediate action because he considers that the situation along the Mexican border is becoming more aggravated daily.

Since the receipt of the letter under reference, the Immigration and Naturalization Service has discussed further developments in this matter with representatives of the Department by telephone. They have stated that further word has been received from the Immigration inspector in charge of the San Diego area that the Mexican immigration officials are refusing to receive Mexican nationals who have resided less than six months in Lower California through the Mexican ports of entry in Lower California. In view of the increasing number of individuals involved, this is placing a very heavy strain on the facilities of the United States Immigration Service. It calls for more detention capacity and the transportation of more individuals at great expense to Nogales, Sonora and to Ciudad Juárez. The fact that those who are returned to Mexico are apparently made the subject of no controls by the Mexican Government is of special concern since the individuals in question make their way back across the border within a very few days of the dates of their departure.

The Immigration officials point out, in regard to the voluntary deportation of Mexican individuals, that the Mexican federal law does not provide for any selective system such as the one being used in Lower California ports by Mexican officials. The Immigration officials consider therefore, that they are entitled to deliver all Mexican nationals apprehended while illegally in this country to the nearest Mexican port of entry without restrictions. At the same time they point out it is a waste of time and money to transport individuals apprehended in California to Nogales and El Paso for delivery to Mexico, in view of the fact that the Mexican Government has taken no steps to get such individuals away from the border or back to their homes in the interior of Mexico, but has permitted them full freedom as stated above, which has resulted in the early return of most of them to the United States in the same illegal manner.

The Department shares the concern of the Attorney General and the Immigration and Naturalization Service as to these illegal entrants, but as stated in instruction no. 8478 and previous communications it is not too confident that further approaches to the Mexican Government will bring about more than a very temporary solution of this perennial problem. It will be recalled that the conference in May

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2 Neither printed.
2a Dated March 18, 1946, p. 1028.
and June of 1944, which was initiated by the Mexican Government, made a series of definite recommendations to both Governments with the unanimous concurrence of the Mexican delegation, the members of which individually promised to do everything within their power toward the carrying out of the recommendations. As the record will show, the Immigration Service has been most zealous in complying with both the spirit and the letter of those recommendations, while there is no indication of effective parallel action by the Mexican Government.

In view of the persistence of the undesirable situation in the Imperial Valley and the aggravation of the situation in the San Diego area, the Department considers it desirable to go on record again with the Mexican Government in regard to this matter.

You are therefore requested to prepare an appropriate note to the Mexican Foreign Office reviewing developments since 1944, or earlier, and pointing out that the Immigration Service of the United States has increased its border patrol and has taken many other measures to discourage and to prevent clandestine and illegal entrance into the United States by Mexican nationals. You should request that the Mexican Government give this matter every possible attention with a view to discouraging the movement of individuals toward the Mexican border, especially with California, and with a view to establishing the most active possible patrol service to prevent illegal departure of individuals from Mexico. You may also wish to invite attention to the possibility of the establishment by the Mexican Government of control measures at strategic points some distance from the border, this in view of reports that most of the individuals under reference proceed to Lower California through Santa Ana, Sonora, where transportation facilities are available from the Southern Pacific Railroad to said border ports.

The Department views sympathetically the desire of the Immigration and Naturalization Service to return Mexican nationals apprehended while illegally in the United States through the nearest Mexican port. Such action on the part of the Immigration Service, however, may be considered by the Mexican Government as at least a partial denouncement of the Agreement entered into in 1944 in spite of the fact that there has been little or no Mexican action under that Agreement. If, in spite of the circumstances which have developed, the Mexicans still have an interest in preserving the Agreement, it might be effective to inform them that unless there is immediate evidence of control action by Mexico it will be necessary to consider the Agreement no longer in effect. In your discretion you may, therefore, include in your note to the Mexican Government a statement along the above lines. If, however, it is your opinion that the Mexican Government no longer values the Agreement, you may limit yourself
to informing the Mexican Government that the Immigration Service plans to return workers in the future through the nearest Mexican port of entry. You may assure the Mexican Government that the Immigration and Naturalization Service of this Government will continue to take all possible measures to prevent the clandestine entrance of Mexican nationals into the United States.

The Department will appreciate being furnished at the earliest possible date with a copy of the communication which you address to the Foreign Office on this matter, in order that the Attorney General may be informed of the steps taken. The Immigration Service is especially anxious to proceed without delay with the return of all illegal entrants through the nearest Mexican port of entry because of the reasons set forth above. It would be very desirable, therefore, to have an early word from you on this point for the guidance of the Immigration Service.³

Very truly yours,

For the Acting Secretary of State:

Spruille Braden

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³In despatch 1274, October 18, from Mexico City, Ambassador Thurston indicated that in response to this instruction an exchange of notes with the Mexican Foreign Office had taken place, which strengthened the conviction that no effective action would be taken by the Mexican authorities to assist in the curtailment of the illegal movement of its nationals across the border. It was proposed that vigilance of the border patrol be increased and that State Governments and immigration authorities be urged to impress workers with the need of giving Mexico the fruit of their labors. The only concession brought about by the exchange of notes, Ambassador Thurston noted, was qualified, in that the Mexican Government expressed its willingness to accept deportees at Tijuana and Mexicali, if they entered the United States through those ports. (S11.504 Mexico/10-1846)
those places for lodging, feeding and transporting the Mexican workers who entered the United States illegally and who, according to the Mexican Foreign Office, are being deported by U.S. authorities through Tijuana and Mexicali at the rate of 100 a day.

It was also pointed out in the telegram that the Minister for Foreign Relations requested the Ministry of Gobernación not to close the ports forthwith, but to defer such action until the Foreign Office could take the matter up with this Embassy. In doing so, the Foreign Office requested that the American Government suspend deportations of Mexican workers through Tijuana and Mexicali until the matter could be discussed further between the two Governments. At the time this question was taken up by the Foreign Office, it presented an unnumbered memorandum dated December 30, 1946, of which a translation is enclosed herewith. In this connection reference is made to despatch No. 1274 from this Embassy dated October 18, 1946, entitled "Transmission of Copies of Notes Exchanged with the Mexican Government on the Illegal Entry of Mexican Citizens into the United States". The enclosures to this despatch, namely the Embassy's note No. 53 dated September 17, 1946, addressed to the Secretary for Foreign Relations of the Mexican Government, and his reply, note No. 510938 dated October 8, 1946, discuss thoroughly the point at issue between the two Governments, the difficulties of which appear not to have been surmounted on either side.

The Embassy believes that the Mexican Government, for reasons explained in its note of October 8, 1946, is unable to control the movement of workers across the frontier into the United States, which individuals apparently are determined to run repeated risks to obtain work in the United States. This may be due in part to the high remuneration which these workers received during and since the war, and may be due also to the knowledge of handsome wages received in the United States by the thousands of agricultural workers (braceros) who have returned to Mexico spreading the reports of their earnings. It appears, therefore, that grounds exist for the statement of the Mexican Government to the effect that at one time the United States were willing to have these workers in certain agricultural sections of California. It may be argued too that the importation by the United States of several hundred thousand agricultural workers from Mexico during the last few years has contributed to the zeal of those now seeking continually to cross the border and find work in the agricultural sections of California. In other words, the need of the United States for additional agricultural labor has contributed much to creating the problem that now exists.

* Not printed.
* See footnote 8, p. 1033.
Apparently, notwithstanding the agreement of 1944 made between the two Governments for the control of illegal immigration from Mexico to the United States, the Mexican Government has been unable to take effective measures to prevent workers from crossing into the United States. Nor does it appear that this clandestine immigration will cease until employment is no longer available for these workers in the United States.

According to the enclosures transmitted with the Embassy's despatch No. 1274 of October 18, 1946, above mentioned, both the American and Mexican Governments have agreed to take effective measures to control illegal immigration of Mexican agricultural workers to the United States. According to statements made by the Mexican Government and according to the reported number of workers rounded up daily in the United States by American authorities, it is evident that neither Government has been able effectively to control passage of these workers across the border, whereby an aggravating situation has been created for both the American and Mexican officials endeavoring to cope with this problem. It is obviously within the rights of the United States to round up these workers and return them to the nearest ports of entry, that is, Tijuana and Mexicali. However, since the Mexican authorities have no facilities for feeding, lodging and transporting the deportees, they are probably turned loose and find their way speedily back into the United States, whereby the official process of rounding them up and releasing them becomes a vicious circle. The situation has become so serious, according to oral statements made in the Mexican Foreign Office, that the Ministry of Gobernación considers that it will be necessary to close both of these ports if the American authorities continue to deliver the large number of deportees of which the Mexican authorities complain.

The Embassy believes under the circumstances, in view of the representations made by the Mexican Government, that only those workers should be returned through the ports of Mexicali and Tijuana where it can be proved that the respective individuals entered the United States in the vicinity of these ports, and that others should be returned through Nogales and El Paso.

It might be suggested, furthermore, in view of a situation which is becoming increasingly difficult and is apparently insoluble to both Governments, that consideration be given to the advisability of undertaking a program of recruitment of agricultural workers for temporary work in California, where it is judged, from the number of workers attempting to enter that State, that an extensive need for agricultural labor exists. The initiation of a positive program of this sort, at this particular time, might contribute substantially to the economy of the United States and avoid the difficulties which now exist.
The Embassy will be interested in learning what if anything may be done to meet the desires of the Mexican authorities in relieving the pressure on their offices at Mexicali and Tijuana. It will be appreciated if the Embassy may be advised as soon as possible as to the Department’s attitude with respect to the request of the Foreign Minister as reported in telegram No. 1147 from this Embassy, dated December 30, 1946.  

Respectfully yours,

Raymond H. Geist
Counselor of Embassy

EFFORTS BY THE UNITED STATES TO REHABILITATE THE MEXICAN NATIONAL RAILWAY LINES

S12.77/7-2246

Joint Memorandum Relative to the Termination of the Cooperative Railroad Program Undertaken by the Government of the United States of Mexico and the United States of America

[Mexico, D.F., July 5, 1946.]

This Joint Memorandum, made between Pablo Hernández, Director General of the National Railways of México, of the United States of Mexico, and the Institute of Inter-American Transportation, an agency of the Government of the United States of America (hereinafter called “Institute”), represented by its President Robert J. de Camp, is entered into for the purpose of reporting the termination of the cooperative railroad program undertaken by virtue of an agreement entered into by the representatives of the Governments of México, and of the United States of America, as set forth in the diplomatic notes between the Minister for Foreign Affairs of the Mexican Government, and the Ambassador of the United States of America to México, dated November 18, 1942, and as modified and extended by notes dated September 21, 1944, December 18, 1944, December 29, 1944, April 17, 1945, December 20, 1945, and March 5, 1946.  

The agreement was entered into at the time when the Mexican National Railways were being called upon to carry a traffic burden several

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1 Secretary Byrnes informed Ambassador Thurston in telegram 73, January 17, 1947, 6 p.m., that this Government was willing to discuss deportation problems and to send a delegation to Mexico City for discussions “limited week Jan 27 or after Feb 10” (811.504 Mexico/12-3046).
2 Copy transmitted to the Department in despatch 197, July 22, 1946, from Mexico City; received July 24.
3 For exchange of notes signed at Mexico City, November 18, 1942, by the Mexican Minister for Foreign Affairs (Padilla) and the Ambassador in Mexico (Messeristh), see Department of State Executive Agreement No. 289, or 56 Stat. (pt. 2) 1824.
times peacetime peak loads and it was necessary that certain basic changes and improvements be made in order that optimum efficiency in the operation of the railroads could be assured for the transportation of materials from Central America, and particularly México, vitally needed in the war effort. The Mexican Government and the Mexican National Railways, agreed to contribute a proportionate share of the materials and equipment, as well as direct its operating facilities toward the fullest realization of the rehabilitation program. The United States, on its part, agreed to supply materials and equipment, pay the cost of certain repairs and send to México a staff of technicians to be known as the United States Railway Mission. The United States carried out its obligations, first, through the Office of the Coördinator of Inter-American Affairs, and subsequently through the Institute of Inter-American Transportation.

**Clause I**

The parties hereto declare in mutual agreement that there has been on the part of both parties complete and satisfactory compliance with the agreement in all of the provisions thereof, and especially desire to report the following facts:

A. The United States of México, through the National Railways, during the life of the program, expended in connection with the rehabilitation of the National Railways, the sum of approximately $40,000,000.00 (U. S. Cy.), and in addition has contracted for the purchase in the United States of new equipment involving an additional large sum of money. The parties hereto take this occasion to renew their approval of the collaboration of the Government of México, and the National Railways, in carrying out the cooperative railroad program and ratify the activities of the Government of México, and the National Railways in connection with this program.

B. The Institute has contributed to the National Railways of México, the sum of three million six hundred eighty-nine thousand two hundred three dollars and twenty-eight cents ($3,689,203.28—U. S. Cy.), and has also spent directly the sum of one million one hundred seventy thousand eight hundred thirty-four dollars and twenty-six cents ($1,170,834.26—U. S. Cy.), making a total of four million eight hundred sixty thousand thirty-seven dollars and fifty-four cents ($4,860,037.54—U. S. Cy.), for the purchase of materials, equipment and other costs of the railroad program as required by the agreement which terminated on June 30, 1946., and in addition as set forth in Clause II hereof, the Institute is committed to reimburse the National Railways a sum not to exceed a maximum of five thousand nine hundred thirty-five dollars and fifty-nine cents ($5,935.59—U. S. Cy.). In addition the Institute has made available the services of the technicians of the United States Railway Mission called for in the agree-
ment, and has expended in connection therewith a sum estimated at one million eight hundred seventy-five thousand nine hundred and nine dollars and thirty-six cents ($1,875,909.36—U. S. Cy.), making a total of six million seven hundred forty one thousand eight hundred eighty-two dollars and forty-nine cents ($6,741,582.49—U. S. Cy.), contributed by the Institute to the railroad program. The parties hereto take this occasion to renew their approval of the collaboration of the United States Railway Mission, in fulfilling to the entire satisfaction of the parties its functions and responsibilities in cooperating with the National Railways, in carrying out the cooperative railroad program and to ratify their activities in connection with this program.

Clause II

As a part of the operations of the cooperative railroad program, a number of commitments or projects were undertaken all of which were signed by the parties hereto, or their predecessors, in office. A list of the commitments or projects by number, description and funds reimbursed by the Institute to the National Railways or spent directly by the Institute is contained in Appendix “A” to this memorandum. It is to be noted that there remain a few commitments or projects, for which reimbursement in full has not been made by the Institute to the National Railways, which commitments are set forth at the end of the same Appendix. It is understood that the National Railways, have in accordance with the commitments or projects last described spent funds for which they have not been reimbursed by the Institute. It is hereby understood and agreed that the National Railways of México may submit vouchers to the Institute showing expenditures in connection with the said commitments or projects and that the Institute will reimburse the National Railways, in amounts not to exceed the maximum of $5,935.59, for the unpaid commitments as set forth in Appendix “A”, provided that all vouchers for which reimbursement is to be made by the Institute, must be received from the National Railways by the Institute not later than July 15, 1946.

Clause III

The Institute may continue to maintain personnel in the United States of México, for such period as may be necessary to conclude the affairs of the Institute, to liquidate its obligations and to carry out and complete such details as may remain to be done to conclude its obligations under the agreement referred to above. A designated representative of the Institute shall act on behalf of the Institute and shall be authorized to take all necessary action to effect speedy liquidation of the participation of the Institute in the cooperative railroad program.

\footnote{Not printed.}
DISCUSSIONS BETWEEN THE UNITED STATES AND MEXICO REGARDING MEXICAN IMPORT RESTRICTIONS AND TRADE AGREEMENT REVISION

612.003/1-1846

The Ambassador in Mexico (Messrs. Smith) to the Secretary of State

CONFIDENTIAL

No. 27,989

MEXICO, D.F., January 18, 1946.

[Received January 25].

SIR: I have the honor to refer to my Confidential Despatch No. 27,658 of December 13, 1945, and to secret letters of December 14 and December 28 addressed to Mr. Carrigan, the Chief of the Mexican Division in the Department, covering conversations which I had with the Minister of Foreign Relations and the Minister of Hacienda on the Trade Agreement between the United States and Mexico, and the recent Circulars of the Ministry of Hacienda placing various articles under import control.

It will be recalled that in my Despatch No. 27,658 of December 13, 1945, I informed the Department that I had stated to the Minister of Foreign Relations and the Minister of Hacienda that we would carefully follow in the Embassy the procedure of the Mexican Government in issuing licenses in order to determine whether the effect of the issuing of licenses would involve quantitative restrictions on imports from the United States, and particularly on such articles which may be included in Schedule 1 of the Tariff between the United States and Mexico.


Neither printed.

Francisco Castillo Nájera.

Eduardo Suárez, Secretary of the Treasury and Public Credit.

For text of reciprocal trade agreement between the United States and Mexico signed December 23, 1942, see Department of State Executive Agreement Series No. 311, or 57 Stat. (pt. 2) 833; for documentation on this subject, see Foreign Relations, 1942, vol. VI, pp. 489 ff.
It will be recalled that in my despatch that I reported that the Minister of Hacienda, in the presence of the Minister of Foreign Relations, had stated in the most definite manner that the purpose of the import license requirement was to have a control in order to determine whether any quantitative restrictions would be necessary in order to protect Mexican industry, but that licenses would be granted freely and rapidly for American imports even though the articles were included on these Treasury Lists. It will be recalled that the Minister assured me that the appropriate machinery had been set up for the rapid examination of applications and the granting of the licenses.

We have gathered a very considerable amount of background material which shows that in practice licenses are not being granted "freely and rapidly" as the Minister of Hacienda informed me they would be. As presently being enforced, the licensing system is equivalent to restriction of imports including articles of Schedule 1 of the Mexico-United States Trade Agreement. Technically, there has already been what this Embassy considers a violation of the Trade Agreement.

I and my associates in the Embassy have felt that it would be better not to raise this question of violation of the Trade Agreement as this will precipitate a situation both for Mexico and us which will have undesirable repercussions. We have therefore prepared an informal and unofficial memorandum of which a copy is transmitted herewith, (Enclosure 1) which I left with the Under-Secretary of Foreign Relations, Dr. Tello, last evening. He was greatly concerned with the situation which I presented. I made it clear that the memorandum was unofficial and informal and that my conversation with him on the matter was presently off the record. I said that if I took up the matter officially with the Ministry, I would have to seek the appropriate instructions from the Department of State to approach the Ministry on the basis that there had already been violation of the Trade Agreement. I said to the Under-Secretary that I thought it was much better for us to endeavor to see if the Circulars could not be made to work as the Minister of Hacienda had indicated they would work. I said that if licenses were granted freely and rapidly, violation of the Trade Agreement would not come into question. It was my understanding that this was what the Ministry of Foreign Relations and the Ministry of Hacienda wanted—that is, that they did not wish any violation of the Trade Agreement and that they did not wish to place any quantitative restrictions on American merchandise unless such restrictions might be found essentially necessary in the protection of the Mexican industry and in such case notice would be given to my Government if the articles affected were within Schedule 1 of the Trade Agreement.
I said that I understood that it was difficult to set up such machinery, but that more than a month had elapsed and that adequate time had relatively elapsed to provide for the setting up of the machinery and that I could assure him in this off-the-record way that this had not been accomplished and that the machinery was not working.

In this same off-the-record manner I told the Under-Secretary that I had discussed this matter fully with the Minister of Hacienda, Mr. Suárez, when he had called on me that morning before leaving for the United States, and that he had expressed surprise that the machinery was not working. The Minister of Hacienda had expressed the desire that Mr. Bohan, the Economic Counselor of the Embassy, discuss these matters “license by license and article by article” with the Under Secretary of Hacienda, Mr. Herzog, without delay in order to bring about a correction of the situation. I said to the Under-Secretary of Foreign Relations, Dr. Tello, that I had requested Mr. Bohan to undertake these investigations immediately with the Under-Secretary of Hacienda, Mr. Herzog. I expressed doubt, in view of the experience in the last month, whether these conversations would have any real fruit, but that we wished to explore every avenue in order to avoid difficulty with respect to the Trade Agreement and in our trade relations.

Respectfully yours,

GEORGE S. MESSERSMITH

[Enclosure—Extract]

A careful review of all legislation concerned with the imposition of import controls indicates that the primary purpose of such legislation is to restrict rather than control imports. Thus, in the Decree of April 13, 1944, the terms restrict or restriction are invariably employed. Similarly, the Presidential Resolution of October 1, 1945, speaks of restrictions on foreign commerce. The circular of December 5, 1945, also emphasizes the restrictive character of the measures.

If our analysis as summarized above is correct, there would seem to be no question but that restrictions imposed under that legislation are, by their very nature, quantitative restrictions and hence subject to the terms of Articles III and X of the Trade Agreement between the United States and Mexico, since it would not appear that Article XVII could be invoked in the present case.

The position that the measures which have been taken are, in effect, quantitative restrictions is borne out by the many reports received from both importers in Mexico and exporters in the United States. These reports are to the effect that applicants for import licenses continue to experience onerous and time-consuming difficulties in connection with the application for import permits. These same reports
explain the situation as being due in part to the inadequacy of the mechanics of the licensing system and also apparently to a policy of making the requirements so onerous as to have the effect of discouraging applications. Unofficial information indicates that the situation became so chaotic at the beginning of January that it became necessary for the licensing authorities to declare a truce and make blanket arrangements for the importation of merchandise actually in Customs because of the congestion at ports of entry and the inability to review the tremendous number of individual license applications. Thus, while the situation with respect to goods actually in Customs at the time of the December 5 circular appears to have shown improvement, only a few cases have come to our attention of importers being able to secure licenses for new orders.

It is believed that only by a full and frank interchange of views can the interests of both Mexico and the United States be truly served. The United States has amply proved its adherence to the principle of industrialization in Mexico. During the period of the war, it has made available critical machinery for the establishment and expansion of Mexican factories. It has likewise cooperated in the financing and development of those industries. There can be no question of any selfish "mercantilist" view on the part of the United States as concerns the present discussions with respect to the import control system now being so widely employed in Mexico. However, the United States is also committed to the principle that prosperity throughout the world cannot be achieved unless unnecessary barriers to international trade are removed. It is realized that occasions arise requiring the temporary protection of new industries. This principle, as you know, is recognized in the proposals which the United States Government has recently made for the expansion of world trade and employment. At the same time, unless such protection is determined only after a careful analysis of the cost differentials affecting the industries, the danger exists that protection may be given, not to sound industrial development, but to inflated prices, inefficient operations, monopolies and excessive profits.

For American proposals for expansion of world trade and employment, for consideration by an international conference, see Department of State Bulletin, December 9, 1945, pp. 918–929; the Department announced on December 6, 1945, that the Secretary of State had transmitted to the governments of other countries the texts of the American proposals.
CONFIDENTIAL

WASHINGTON, January 25, 1946—noon.

72. Urtel 54, Jan 22. Ref projected import control discussions Mon. Dept recognizes fully excellent efforts of Emb but believes time has come for strongest formal representations to Mex Govt, particularly in view flood protests by affected U.S. interests.

Unless objection is perceived, therefore, formal note in strong terms should be prepared for presentation on Mon by Ambassador to MinFonAff. Copy could also be used by other Emb officers in projected discussions with other officials. Note should refer to specific provisions trade agreement, assurances given with respect to operation of controls, manner in which they have apparently not been carried out, US Govt expectation of firm statement by Mex Govt confirming intention to fulfill its international obligations under trade agreement, followed by action to that end. If Emb desires, draft text could be discussed with Dept by telephone.

Moreover, unless Emb perceives serious objection, Dept proposes to have high officer call on Mex Ambassador in near future to present strong note in similar terms as means of reinforcing Emb’s efforts. Your reaction to this proposal requested urgently.

ACHESON

612.006/1-1246

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

RESTRICTED


No. 28,380 [Received March 20.]

Sir: I have the honor to inform the Department that the seventh and final meeting with the Ministry of Hacienda was held on March 8. The results of the conversations can be summarized as follows:

a) Of the 119 tariff fractions included in the circulars, 31 will be removed and 15 others, although remaining on the circulars, will not be subjected to the import license requirement;

b) The principle was established that products rather than tariff classifications should govern inclusion in the circulars, thus greatly reducing the number of products subject to control;

20 Not printed; in it the Ambassador reported that the Mexican Under Secretary of the Treasury promised to discuss the entire question of import controls with Embassy representatives beginning the following Monday morning (612.006/1-2246).

21 In despatch 28.104, January 29, 1946, Ambassador Messersmith expressed his opinion that “no useful purpose would be served by making a formal protest at this time” and that by conversations with the Mexican officials they could secure elimination from the Treasury lists of most of the articles therein.
c) The Ministry of Hacienda has been convinced that many of the claims of local industrialists are exaggerated and it is believed that in the future more careful study will be given to appeals for protection before action is taken;
d) The mutual interchange of information will permit the trade negotiation conversations in Washington to be carried out against a factual rather than a theoretical background.

On the other hand, the Embassy feels that while it has convinced certain key officials of the Ministry of Hacienda of the undesirability of excessive protection, it did not succeed in its major objective of convincing the Ministry that the import control technique should be abandoned. The Ministry remains firmly of the opinion that during the transition period it must have a means for quickly and decisively meeting any threats to Mexican industry. At the same time, a backfire has been set which will tend to combat the extreme demands for protection of any and all industries and without regard to quality or price factors. In fact, evidence has already reached the Embassy that the Ministry has adopted a strong attitude with respect to the prices charged by certain local producers of iron and steel products and is insisting that present inflated prices be reduced. Furthermore, it is apparent that the licensing authorities are showing better judgment in the issuance of import permits and conditions in this respect have improved noticeably during the past month.

The conversations should be likened more to a skirmish than to a battle for liberal trade principles. The battle itself will have to be fought in Washington. The Embassy is hopeful that the preliminary conversations have tended to introduce serious doubts in the minds of Mexican officials as to the soundness of the policies followed to date. However, it is not yet possible to determine to what extent the Minister of Hacienda may be opposed to the more liberal attitude assumed by his subordinates and it is likewise not yet possible to advise the Department specifically with respect to the attitude of the Foreign Office and the Ministries of Economy and Agriculture. As has been brought out in letters addressed by the Ambassador to Mr. Clayton, his conversations with other cabinet officers have done much to awaken opposition to the extreme protectionism of the Minister of Hacienda, whose policies have been almost identical with those promoted by the Lavin group of industrialists. In any case, progress has been made and the Embassy is hopeful that forces have been set loose which will cause the Government to follow a more moderate policy than has hitherto been the case.

The foregoing does not imply that other articles will not be placed under control. As a matter of fact, at least three other fractions may be soon subjected to import controls, i.e., locks, files and barbed wire.

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22 William L. Clayton, Under Secretary of State for Economic Affairs.
However, unless it is greatly mistaken, the Embassy does not feel that large numbers of new fractions will be added to the restricted list and this in itself is a favorable development since the Ministry of Hacienda had originally planned to subject no less than 823 tariff fractions to control. (The enclosure to this despatch \(^{23}\) shows the action which the Ministry of Hacienda will take with respect to the fractions now subject to import control.)

In addition to import controls, there can be no question but that further tariff increases are on the horizon.\(^ {24}\) It is hoped that the Trade Agreement conversations may take place before the Mexican Congress reconvenes, since much can be done to bring home to the Mexican authorities the need for careful scrutiny and analysis of the requests which are being received from Mexican manufacturers for higher duties. It is in this field that the Embassy desires to suggest that the most careful study be given by the Department to the stand which it is to take with respect to tariff increases. Mexico cannot have factories unless those factories receive protection. This is true with respect to both old and new industries and it can be stated, without too much fear of successful contradiction, that no factory in Mexico could long exist without tariff protection. The Embassy believes that the Department could achieve more concrete and practical results by attempting to convince Mexico of the need for restricting protection to a minimum rather than to oppose tariff increases per se. The latter policy will inevitably force Mexico to employ other devices such as quotas and import controls. It will be found difficult during the conversations to be held in Washington to answer specific Mexican statements to the effect that if the United States must protect its manufacturers, there is even greater reason for Mexico to follow the same policy. In the course of the studies which the Embassy has carried out, it is interesting to note that whereas the approximate ad valorem equivalent of Mexican duties on plywood range from 2.5% to 18%, the American tariff has a rate of 40%, metal furniture in Mexico pays from 28 to 81% ad valorem, whereas the American rate is 45%; refrigerators pay from 9 to 13% in Mexico as against 25 to 45% in the United States; sanitary ware duties range from 16 to 40% in the case of Mexico and from 22 to 70% in the case of the United States.

The general opposition to tariff increases and the protection of industry will not impress the Mexicans. They believe, rightly or wrongly, that the solution of the problem of the standard of living lies in the promotion of industry. Their present thinking is emotional

\(^{23}\) Not printed.

\(^{24}\) According to despatch 920, August 26, 1946, from Mexico City, “the Mexican Government seems to prefer import restrictions, which can be effected by the Ministry of Finance, to tariff increases, which must be made by Congressional action. The former are certainly more immediately effective, and can probably be more easily justified.” (612.0031/8-2646)
rather than analytical. In their enthusiasm for industry as a cure-all for their economic future, they have partly, if not entirely, lost sight of their dependence on international trade and of the need for solving their agricultural, transportation and labor problems if the contribution of industry to the development of their economy is to be fully effective. If the Department can succeed in convincing the Mexican Government that proper perspective will, in the long run, assure the greatest degree of prosperity and, with respect to industry, encourage rather than discourage proper and reasonable protection, more good can be accomplished than through following any other policy. Likewise, if the Embassy were authorized to follow a similar policy, its efforts would be more effective than has heretofore been the case.

Respectfully yours,

For the Ambassador:

MERWIN L. BOHAN
Counselor for Economic Affairs

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

RESTRICTED MEXICO, D.F., August 17, 1946.
No. 906 [Received August 22.]

Sir: I have the honor to inform the Department that recent developments in the commercial policy field have caused considerable worry to the Embassy. The Department may wish to review the situation and consider the advisability of expressing its concern to the Mexican Ambassador in Washington before the opening of the Mexican Congress on September 1. Developments include:

1. The establishment of a formal Foreign Commerce Control Commission and specialized import and export control committees (see Report 657 of August 1, 1946);
2. The probabilities that the import license system will be extended. A study of the report referred to in the preceding paragraph indicates that the import control mechanism is to be used not only for the protection of industry, but also as an indirect method of exchange control;
3. The generally held belief in commercial circles that numerous tariff increases will be requested of Congress during the coming sessions. The Embassy gives considerable weight to these reports;
4. The deliberate delaying tactics with respect to the trade agreement negotiations, requested in the first instance by the Mexican Government, give substance to reports that action on the part of the Minister of Finance, the one personally responsible for the delays, is explained by his desire "to place Mexico in a better trading position".25

25 Commenting on Mexico’s attitude toward the Agreement, in despatch 920, August 26, Ambassador Thurston noted that many Mexicans had become con-
As the Department is aware, the Embassy considered the conversations held with the Ministry of Finance during February and March as preliminary to the formal discussions which were to be held in Washington. While the Embassy did all in its power to convince the Mexican authorities of the wisdom of eliminating the import control system, it realized, from the start, that the attainment of this major objective would have to await the conversations in Washington. Hence, the Embassy secured the deletion of as many products as possible from the Treasury circulars and did as much as it could to simplify the procedures required in the case of products remaining under control.

The successive postponements of the Washington conversations have also been of concern with respect to the Trade Agreement itself. It is one thing for the Department and for the Embassy to have shown understanding and even leniency in the interpretation of the Agreement during the war and immediate post-war periods and quite another to permit the Agreement to degenerate into a "scrap of paper" through a policy of attrition carried out by the Minister of Finance. Fortunately, the Embassy has so far succeeded to a very considerable degree in maintaining compliance with the terms of the Agreement, but feels that the time is rapidly approaching when a very definite understanding will be necessary if the whole spirit of the Agreement is not to be

vinced that somehow the Agreement had become disadvantageous to Mexico, and, by corollary, over-advantageous to the United States, and continued:

"They are frightened at the inundation of American goods that they see as about to swamp Mexico. If the Agreement is the instrument which will hold the flood gates open, it will have to be changed or circumvented. It will also have to be revised so that Mexico is no longer at a disadvantage.

"As the Department is aware, the Embassy believes that changes in circumstances since 1942 justify a reconsideration of some of the Agreement concessions. In discussions that may be held between the two Governments, it is thought that Mexico will consider itself in a better bargaining position than the United States for two principal reasons: the first is that Mexico is aware of the great weight attached to the Trade Agreement program and to liberal trade principles by the United States Government. The Mexicans believe, which is undoubtedly true, that the United States wants the Agreement more than Mexico does. They have been fortified in their belief by the number of infringements, either in the letter or the spirit of the Agreement, that our Government has tolerated. The second reason held by Mexico is that the Mexican concessions of Schedule I are of vital importance to the United States. It is natural that this belief should be held since, in the Mexican view, the center of gravity of the Agreement is Schedule I. The Embassy therefore believes that Mexico will be on the offensive in discussing the Agreement and will expect the United States to be on the defensive."

(612.0031/8-2646)

28In the closing months of 1946 this Government's interdepartmental trade-agreements organization was fully preoccupied with matters relating to the establishment of an International Trade Organization and the negotiation of a General Trade Agreement: pending the conclusion of these activities, and the determination of procedures for negotiating trade agreements within the framework of the ITO Charter, the United States was not ready to enter into new trade-agreement negotiations with Mexico or any other country (611.1231/10-847). For documentation on the first session of the Preparatory Committee of the United Nations Conference on Trade and Employment at London, October 15-November 26, 1946, to which Mexico sent observers, see vol. i.
destroyed. Mexico is following a policy, unnecessary in the estimation of the Embassy, which is departing further and further from the liberal trade principles which we hold to be so important if international commerce is to play its deserved part in world recovery and prosperity.

Respectfully yours,

For the Ambassador:

MERWIN L. BOHAN
Counselor for Economic Affairs

JOINT UNITED STATES-MEXICAN CAMPAIGN AGAINST HOOF-AND-MOUTH DISEASE IN MEXICO

612.325/5-846

Memorandum by the Chief of the Division of Mexican Affairs (Ray)\(^\text{27}\)

WASHINGTON, January 17, 1947.

The attached memorandum giving the history of the importation of Zebu cattle into Mexico illustrates clearly the consistent and forceful attitude which the Department has maintained in the matter.

The attitude of the American Embassy, México, D. F., and of Ambassador Messersmith is reported in the following despatches: no. 26866, October 17, 1945; no. 26949, October 21, 1945; no. 26882, October 23, 1945; no. 29023, March 30, 1946; no. 29313, April 30, 1946; no. 29357, May 8, 1946.\(^\text{28}\) The Ambassador repeatedly expressed his concern to the Mexican authorities about the shipments of Zebu cattle, but favored their being permitted to land on Sacrificios Island. He also pressed strongly in the above-mentioned despatches, for the establishment by this Government of an international quarantine station.\(^\text{29}\)

I understand from Mr. Braden and from Mr. Acheson\(^\text{30}\) that when the question arose of the importation of Brazilian Zebu bulls into Mexico and the Department, in cooperation with the Bureau of Animal Industry of the Department of Agriculture, instructed our Embassy to protest to the Mexican Government and point out that such

\(^{27}\) Addressed to the Assistant Secretary of State for American Republic Affairs (Braden) and to the Director of the Office of American Republic Affairs (Briggs).

\(^{28}\) None printed.

\(^{29}\) For Joint Resolution 364 (Public Law 522) to provide for the establishment of an international animal quarantine station on Swan Island, approved July 24, 1946, see 60 Stat. 633.

\(^{30}\) Dean Acheson. Under Secretary of State.
importations constituted a violation of our sanitary treaty with Mexico, 3 The Convention of March 16, 1928, between the Government of the United States and the Government of Mexico on safeguarding livestock interests through the prevention of infectious and contagious diseases; for text of Convention, see Foreign Relations, 1928, vol. iii, p. 317.

Ambassador Messersmith telephoned both Mr. Braden and Mr. Acheson urging that we make no protest.

GUY W. RAY

[Annex]

HISTORY OF THE IMPORTATION OF ZEBU CATTLE INTO MEXICO

In accordance with your request, the following history of the importation of Zebu cattle into Mexico has been prepared:

In October, 1945, 120 head of Zebu cattle were imported into Mexico from Brazil. At that time this Government expressed its great concern to the Mexican Government and its fear that such action would result in an outbreak of hoof and mouth disease with disastrous consequences for both the United States and Mexico. However, the cattle were allowed to land on the understanding that this would not constitute a precedent. The statement was made to Mexican officials that we would consider what measures might be necessary to protect our industry from possible consequences.

During February, 1946, the Mexican Government permitted the importation of three fighting bulls from Spain (an area considered to be infected) and at that time the Mexican Government’s attention was again called to our previous attitude in connection with the Zebu shipment.

During March, 1946, this Government informed the American Embassy in Mexico, D.F., that it had learned of possible further shipments of cattle from Brazil to Mexico, and our Embassy again informed the Mexican Government of our concern. On April 7, 1946, 327 Zebu cattle were shipped from Brazil, and about April 25, 1946, the Mexican Secretary of Agriculture assured our Department of Agriculture that the cattle would not be allowed to land.

On April 29, 1946, the Department instructed our Embassy in Mexico once again to express our concern over the proposed landing and referred to our feeling that this would be a violation of Article IX of the 1928 Sanitary Treaty between the United States and Mexico. (Article IX provides that no importation of domestic ruminants shall
be authorized from foreign countries or zones where . . . diseases . . . appear frequently . . . until at least 60 days have elapsed without any outbreak.) Our Department of Agriculture has informed Mexico that the disease is endemic in Brazil and no area can be considered free.

On May 7–11 the Zebu cattle in question were landed on Sacrificios Island, off Veracruz, Mexico, and on May 28, 1946, our Department of Agriculture ordered cattle coming into this country from Mexico to be subjected to a 15-day quarantine.

On the basis of representations made by the Mexican Government, urging the removal of the quarantine, the question was discussed at a Meeting of the Mexican-United States Agricultural Commission in Los Angeles on July 22, 1946. This Government agreed to the sending of a joint commission to investigate animal disease conditions in Mexico, and if the investigation was negative, the United States would consider revoking the quarantine order. (At that time the Mexican Government gave its assurance that the 327 Zebu cattle would not be allowed to remain on Mexican territory.) The United States veterinary representatives proceeded to Mexico as agreed and spent over a month inspecting herds of cattle that had been in contact with the Zebu importation of 1945, as well as the 1946 shipment of bulls (which by that time had been landed in the vicinity of Veracruz). No signs of disease were found and consequently the United States quarantine was lifted on October 18, 1946.

During November, 1946, a cattle disease broke out in the vicinity of Veracruz, Mexico, which spread to four other Mexican States. Extensive field investigations were carried out by Mexican veterinarians with the collaboration of United States Government experts, and the disease was determined to be hoof and mouth disease. In view of this development, existing laws of the United States made it mandatory to close our borders to all ruminants or swine proceeding from Mexico, as of December 27, 1946.32

The above chronological account makes it evident that this Government did everything possible to prevent the development of conditions leading to an outbreak of the dread hoof and mouth disease,

32A press statement of December 27 explained the imperative need for such action as defense against the spread of foot-and-mouth disease to cattle in the United States; this country as well as Mexico and Central America had been kept free of the disease since 1929. This statement was issued in response to a recommendation by Ambassador Thurston who anticipated that the embargo would have serious economic as well as political repercussions in Mexico, since that time of the year was the usual peak of movement of Mexican cattle into the United States for grazing and later feeding and it was estimated that usually nearly half a million cattle a year came into the United States from Mexico in this movement.
and the blame for the present epidemic, which may be disastrous for
the livestock of the North American continent, must be placed squarely
upon the Mexican Government.

WHEAT SHIPMENTS BY THE UNITED STATES TO RELIEVE FOOD
CRISIS IN MEXICO

812.5018/4-2746

Memorandum by Mr. Kinsley W. Hamilton, Assistant to the
Assistant Secretary of State for Economic Affairs (Clayton)

WASHINGTON, May 2, 1946.

SUMMARY OF MESSERSMITH'S APRIL 27 LETTER

When Messersmith was last in Washington he spoke with the
Secretary, the President, Mr. Wallace and Mr. Anderson about
Mexico's food requirements and the economic and political disorder
which would result if they were not met.

Mr. Wallace agreed that Mexican needs must be met in spite of other
demands. In talking with Mr. Anderson, Messersmith expressed his
opinion that it was absolutely essential that Mexico receive 1,200,000
bushels of wheat monthly in April, May and June. Secretary Ande-
son was in complete accord with this as a minimum figure. He could
not give Messersmith positive assurance that this amount could be pro-
vided but he was sure that it would be.

On his return to Mexico, Messersmith consequently told President
Cameron that he was pretty sure from his conversations in Washing-
ton that Mexico would get 1,200,000 bushels of wheat per month in
April, May and June. Without being positive, Messersmith similarly
assured the Mexican Foreign Minister.

From telephone conversations between officers of the Embassy and
the Department, Messersmith now understands that no definite action
has been taken on the release of this wheat and that there is a tendency
to hold it up. He urges that immediate steps be taken to release it.
He further urges that adequate quantities be made available for loading
on the SS Tabasco in New Orleans or Galveston about May 5.

Messersmith says, as he told President Truman, that there would

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55 Letter of April 27 from the Ambassador in Mexico (Messersmith) to the
    Assistant Secretary of State (Clayton), not printed.
54 Ambassador Messersmith left Mexico City for Washington on April 9, 1946.
55 Secretary of State James F. Byrnes.
56 President Harry S. Truman.
57 Henry A. Wallace, Secretary of Commerce.
58 Clinton P. Anderson, Secretary of Agriculture.
59 Francisco Castillo Nájera.
be a revolution and the red flag in Mexico within three months if its wheat needs are not met. He feels that most of the Department is not thinking about this Hemisphere. But it is vital that we do not allow economic distress and revolution in the Western Hemisphere.

Messersmith says he does not wish to criticize what has been said on food deficits in other parts of the world. But after four years in Mexico he knows the economy of the country and what is the use of sending an Ambassador abroad if his word is not to be accepted?

812.5018/5-1546 : Telegram

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

CONFIDENTIAL

MEXICO CITY, MAY 15, 1946—6 P. M.

[Received May 16—3:33 a.m.]

381. Before leaving Mexico tonight for Buenos Aires 40 I wish to emphasize what I said in Washington in early April with regard to the needs of Mexico for wheat and corn. I wish to recall that I stated to the President and to the Secretary and to Secretary Anderson, Secretary Wallace, and to Assistant Secretaries Clayton and Braden that if Mexico does not receive a minimum of 1,200,000 bushels of wheat per month thru July, grave economic situations will develop in this country which will in the course of a few months inescapably lead to political disorder and lead to a deterioration of our relationships with this country which will inevitably affect our relationships with the rest of the Americas. I stated at the time that I realized the world needs with respect to wheat, but that I did not believe the American people would forgive our Government for creating a situation which would develop in economic disasters and political disorders on our border.

The info which I have so far is to the effect that the allocations and deliveries are well below the rate of 1,200,000 bushels per month thru May, and I feel it my duty to again bring this situation to the attention of the Department, and I would appreciate the President being sent a copy of this telegram as well as Secretary Anderson.41

MESSERSMITH

40 Ambassador Messersmith was to assume the position of Ambassador in Argentina.
41 Marginal note by the Political Economist, Division of Mexican Affairs (MacLean) reads: "Am Emb inf. by telephone Mex City on 5/20/46 that Ag. is giving 1,000,000 bu. wheat 500,000 bu. corn for May. MA: W. G. MacLean".
The Department of State to the Mexican Embassy

MEMORANDUM

The memorandum of March 30, 1946 referred to by the Mexican Embassy to the Department of State brought up matters relating to wheat import requirements which have since been the subject of discussions between representatives of the Embassy and supply officials of the United States Government. It is hoped in this connection that the following summary of wheat and flour shipments during the present crop year will be found helpful.

The effort being made by the Cereals Committee of the Combined Food Board to reduce universally import requirements of wheat to a minimum is dictated by the inescapable fact that available export supplies of this important commodity in the first half of 1946 are sufficient to cover only 60 percent of stated world import requirements. The consequent drastic reductions in consumption in many of the United Nations where bread makes up from one-half to two-thirds of the entire calorie intake has resulted in the total consumption for the average non-farm consumer falling to less than 1,900 calories daily and in the case of some very considerably less. Further drastic reductions now appear inescapable for such countries in the critical months immediately ahead.

The Department of State has investigated the facts relating to amounts of wheat already sent from this country to Mexico during the present crop year and the quantities which, in view of the present great world deficit, it is felt could be shipped additionally in the remaining quarter year. Figures drawn up by the Department of Agriculture show that wheat and wheat flour sent from the United States to Mexico in the half year July through December totalled 198,284 long tons wheat equivalent (178,936 tons of wheat and 19,348 tons of flour wheat equivalent). During the first quarter of 1946 the record shows 63,240 tons wheat equivalent. Six thousand tons are also reported to have been shipped from Canada to Mexico in that period, making a total of 69,000 for the first quarter. Thus a total of 267,524 tons were provided during three quarters of the crop year.

Not printed.

For information on the contribution of the United States in meeting food needs of Latin American countries and other parts of the world, see Department of State Bulletin, 1946 and 1947, index listings under "Wheat."
against a requirement for the whole year of about 425,000 tons. If the state requirement for this three-quarter year period be considered to be three-fourths of the annual requirement, or 320,000 tons, it will be seen that this requirement was met to the extent of 83 percent. It is therefore clear that the fullest consideration has been accorded the needs of Mexico in the light of the world deficit described above.

The Department of State can now report that the United States will provide 1,000,000 bushels of wheat (about 27,800 tons) and 500,000 bushels of corn (about 13,900 tons) for Mexico in the month of May.

WASHINGTON, May 24, 1946.

CONTINENTAL SHELF POLICY OF MEXICO AND ITS EFFECT ON UNITED STATES-MEXICAN FISHERIES RELATIONS

812.0145/12-1445

The Acting Secretary of State to the Mexican Ambassador
(Espinosa de los Monteros)

CONFIDENTIAL

WASHINGTON, January 24, 1946.

EXCELLENCY: I have the honor to acknowledge receipt of your note of December 14, 1945 46 transmitting a copy of the declaration of October 29, 1945 by the President of Mexico 47 with respect to your Government’s claim to the continental shelf 48 adjacent to the coast of Mexico and to the natural resources thereof.

The Government of the United States has been pleased to note the declaration of October 29 as an indication of the Mexican Government’s recognition of the importance and desirability of conserving and protecting the natural resources which may be found in offshore areas in order that they may be utilized and perpetuated for the bene-

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46 Not printed.
47 Manuel Ávila Camacho.
48 The continental shelf was defined in a memorandum of January 30, 1946, by the Chief of the Division of Mexican Affairs (Carrigan) to the Director of the Office of American Republic Affairs (Briggs), as follows: “The portion of the undersea bed contiguous to the shore, stretching from the low-tide line to a line connecting points where the depth of the waters above the undersea bed reaches, in the case of the U.S., 200 feet, and, in the case of Mexico, 200 meters.” The Mexican continental shelf doctrine, according to this memorandum, presented a basic problem defined as follows:

“... American fisheries operations have, in the Gulf and Yucatan areas and possibly along the West Coast, been carried out in high-seas areas presumably affected by the Mexican principle. Mexico will probably hold that the fish in these waters are a part of Mexico’s national domain, and that our fishermen will now have to pay taxes to Mexico if they desire to fish in the waters which cover the Mexican continental shelf. In the past, our people have not had to pay taxes on fish caught outside of territorial waters, which Mexico claims to be nine miles from the coast, and they will undoubtedly protest vigorously this requirement.” (811.0145/1-2146)
fit of mankind. It is realized that in issuing this declaration the
President of Mexico was prompted by the same long range considera-
tions with respect to the conservation and wise utilization of natural
resources that were the basis of the proclamations relative to the re-
sources of the subsoil and sea bed of the continental shelf and to coastal
fisheries issued by President Truman on September 28, 1945. It is
gratifying that the Mexican Government has taken similar action that
should facilitate cooperative arrangements between our two Govern-
ments for the solution of fishery problems of mutual concern.

The following comments are based on your note and on certain ar-
ticles which appeared in Mexican newspapers subsequent to the pub-
lication of the declaration. The comments relate only to fisheries.

It has been noted that in the declaration of October 29 the Mexican
Government indicates its readiness to recognize the rights and inter-
ests of other states in the resources affected. It is confidently ex-
pected that the policy embodied in the declaration will be carried out
with respect to fisheries through cooperative arrangements with other
interested governments along lines similar to those contemplated in
President Truman’s proclamation of September 28 with regard to
coastal fishery resources. It has been noted with satisfaction that
the Mexican declaration specifically takes account of the “legitimate
rights of a third party on reciprocal bases”. The Government of the
United States regards the recognition by the coastal state of such
rights as a necessary prerequisite to recognition by other states of an
extension of jurisdiction over high seas areas for purposes of fishery
conservation. It is therefore understood that the recognition of legi-
timate rights of other states referred to in the Mexican declaration
is to be construed as recognition of the legitimate interests which na-
tionals of the United States or of other countries now have or may in
the future develop with respect to the fishery resources found in the
area outside of Mexican territorial waters and adjacent thereto.

It will be recalled that President Truman’s proclamation with
respect to coastal fisheries gives full protection to the legitimate fish-
ing activities which have been or may be developed and maintained
by nationals of other states off the coasts of the United States. In
announcing its policy with respect to the establishment of conserva-
tion zones for coastal fishery resources, the Government of the United
States recognized that when zones are established for areas in which

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The President issued two proclamations on September 28, 1945, asserting (1)
the jurisdiction of the United States over the natural resources of the continental
shelf under the high seas contiguous to the coasts of the United States and its
territories (10 Federal Register 12903), and providing for (2) the establishment
of conservation zones for the protection of fisheries in certain areas of the high
seas contiguous to the United States (10 Federal Register 12904). For document-
tation on this subject, see Foreign Relations, 1945, vol. II, pp. 1481 ff.
fishing activities have been or shall be legitimately maintained by nationals of other states as well as by nationals of the United States, these zones should be established under agreements between the United States and such other states. While the United States welcomes the establishment of conservation zones in areas of the high seas off the shores of other states where necessary for conservation of fisheries, the establishment and exercise of jurisdiction over such zones are recognized solely for the purpose of conserving and protecting this marine resource, and will be recognized only on the condition that adequate recognition is given to United States fishing interests in the area affected by the establishment of such zones.

It is anticipated that measures which may be adopted by the Government of Mexico to make the recent declaration effective\(^\text{60}\) with respect to fishery resources will be based on scientific findings showing the need for such measures from the standpoint of conservation and will be developed through cooperative arrangements with the United States in so far as the rights or interests of the United States or its nationals may be affected. This expectation is based on mutual recognition by our two Governments of the necessity for full cooperation in achieving, through measures based on sound scientific investigation, effective conservation of the fishery resources which are of concern to the United States and Mexico.

It has been noted that articles in Novedades and El Nacional for October 31, 1945\(^\text{51}\) contain references to the discussions held in Washington in September 1944 by the Informal Joint Mexican-American Committee on International Fisheries with respect to various problems involving the fisheries interests of the two countries. While it was realized at that time that some statement might be made to the effect that the Committee had met to discuss problems of mutual concern, it was our understanding that the recommendations of the Committee with respect to a possible fisheries treaty between the two countries\(^\text{52}\)

\(^{60}\) Approval by the Mexican Congress of proposed amendments to articles 27, 42 and 48 of the Mexican Constitution was reported in despatch 27,982, January 17, 1946, from Mexico City (812.0145/1–1746). By these changes, the policy announced by the President of the Republic pertaining to the domination by Mexico of the resources in the sub-soil of its continental shelf and domination of the waters covering its continental shelf would become law of the country upon completion of the legislative process. Further legislative and administrative actions to bring the constitutional amendment into effect were not completed in 1946.

\(^{51}\) Copies transmitted to the Department in despatch 27,076, November 2, 1945, from Mexico City, not printed.

\(^{52}\) In despatch 27,899, January 8, from Mexico City, Ambassador Messersmith transmitted copy of a note addressed to the Mexican Minister for Foreign Affairs requesting information with regard to the views of the Government of Mexico on a revised draft fisheries treaty between the United States and Mexico that was delivered to the Foreign Office in August 1945 (812.628/1–846). The Mexican views on the draft treaty were not received during 1946.
were to be held in strict confidence pending the conclusion of the proposed treaty. We were therefore surprised to observe references to these recommendations in the newspaper articles under reference.

While it is realized that the Government of Mexico, of course, is not responsible for the inferences which the newspapers appear to have drawn from these recommendations, it is believed advisable to clarify certain points in order to avoid any possible misunderstanding which might arise in the future in consequence of such newspaper comment. Accordingly, you may wish to bring the following points, which embody our understanding of the Committee's functions, to the attention of the appropriate Mexican authorities:

(1) The Informal Joint Mexican-American Committee on International Fisheries was set up to investigate, study and report on problems arising in connection with fisheries of mutual interest to the two countries. However, decision as to any action which might be taken on the basis of the Committee's findings and recommendations remains with the two Governments.

(2) The agreement by the members of the Committee on recommendations to be made to their respective Governments as bases for a possible fisheries treaty, although of considerable advisory assistance to the two Governments, cannot be considered as constituting a binding acceptance by either Government of these recommendations.

(3) The recommendations of the Committee were for consideration by the two Governments in the negotiation of a fisheries treaty or as a basis for other cooperative international action, and do not in themselves constitute authorization or agreement by members of the Committee or by their respective Governments to measures which, while in the interest of fishery conservation, are not founded on agreement between the two Governments.

The foregoing comments are made in a most friendly and cooperative spirit, and only in an effort to clarify certain points with respect to the declaration of October 29 in order to avoid any possible misunderstanding.

While the observations contained herein have reference to the conservation of coastal fisheries resources, the Government of the United States may wish to present certain comments with respect to the administration of the subsoil resources of the continental shelf, particularly petroleum deposits, after further study has been given to the matter.

I wish to reiterate this Government's pleasure at Mexico's declaration in recognition of the necessity for conserving important natural resources found in offshore areas, and to express the hope that the two countries will continue to work in mutual cooperation toward the achievement of the broad and basic principles and purposes underlying the recent proclamations and declaration of our two Govern-
ments which should lay the foundation for the conservation, development and prudent utilization of natural resources of inestimable value to the peoples of both countries.

Accept [etc.] For the Acting Secretary of State:

WILLIAM L. CLAYTON

812.528/9-1746

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

RESTRICTED

MEXICO, D.F., September 17, 1946.
No. 1186 [Received September 20.]

Sir: I have the honor to report in the following paragraphs the developments to date with regard to the apprehension of several American fishing vessels by a Mexican coastguard cutter and information concerning their detention at the port of Ciudad del Carmen, Campeche.

The Embassy was informed by the American Consul at Mérida in a telegram dated September 9, that a Mexican coastguard vessel had arrived at Ciudad del Carmen, Campeche, with four American fishing boats in tow. The Consul also mentioned that he had heard that the boats were found fishing in Mexican waters. As was later ascertained, the names of these four vessels and their captains are: the E. F. Marine, Captain Manuel Sarabia, the Faith, Captain Jesse Zorne, the Pearl Harbor, Captain Theonis Harrington, and the Gennie V, Captain Joseph F. Allen.

An officer of the Embassy called on Licenciado Campos Ortiz, the Official Mayor of the Mexican Foreign Office, during the morning of September 10, and asked him to inquire of the Ministry of Marine whether a Mexican coastguard vessel had brought four American fishing boats into Ciudad del Carmen. Licenciado Campos Ortiz informed the Embassy later in the day that the vessels had been apprehended, that the Ministry of Marine was still collecting information and that the Secretary of Marine did not yet know the reason for the apprehension. In the meantime, the Naval Attaché of the Embassy ascertained from the Ministry of Marine that the vessels were charged with violating Mexican fishing laws. The Embassy was informed on the morning of September 11 that the four vessels would probably be released on that day and that orders had been sent by the Minister of Marine to the Mexican authorities in Ciudad del Carmen for their release. Licenciado Campos Ortiz stated on September 11 that the Foreign Minister had discussed the

Gen. Heriberto Jara.

Capt. Albert E. Jarrell.
case with the President of Mexico and that the latter agreed that the boats should be released without a judicial investigation. On the evening of the same day confirmation was received from the Ministry of Marine that telegraphic orders to release the four vessels had been sent on the previous day to the Mexican authorities in Ciudad del Carmen. The Ministry of Marine stated that as they had been fishing in Mexican waters, a fine of 1,000 pesos per vessel had been levied.

As telegrams were received during the afternoon of September 12 from the American Consul in Mérida, reporting five additional American fishing vessels detained in Ciudad del Carmen; and from the Captain of the E. F. Marine, reporting attempts to collect additional fines, the Embassy sent Vice Consuls Raymond Bastianello and Armando Vargas on September 13 in one of the Embassy airplanes to Ciudad del Carmen. The two Consular officers were instructed to take the depositions of the masters of the nine vessels and to obtain from them details with regard to their apprehension and treatment. There are enclosed herewith, in duplicate, copies of the nine affidavits and also of the memorandum prepared by the Consular officers upon their return.65

[Here follow details of a procedural nature.]

The files of the Department contain voluminous correspondence between the Embassy and the Mexican Foreign Office in 1936;66 following the announcement by the Mexican Government of its claim to sovereignty over waters up to a distance of nine nautical miles from the Mexican coasts. This correspondence was instituted following the publication, on August 31, 1935, in the Diario Oficial of a decree claiming jurisdiction up to nine nautical miles; and amending the decree of December 18, 1902, by which Mexico claimed sovereignty over waters extending 20 kilometers from the coast. The 1936 correspondence on this subject in the files of the Embassy reveals that Great Britain as well as the United States refused to recognize the nine nautical mile limit proclaimed by Mexico. It is the Embassy’s opinion, however, that it cannot now make representations based upon the views of the United States Government expressed in 1936. It is therefore respectfully requested that the Department send instructions to the Embassy.

The amendment of Article 27 of the Mexican Constitution, by which Mexico claims as territory of the nation the subsoil of the continental shelf and the waters above the continental shelf, which amendment was approved by the Mexican Congress, has not, as far as the Embassy

65 None printed.
798–815—69—68
can ascertain, been ratified by the required number of states; and the amended Article 27 has not been published in the Diario Oficial. The revised Article 27 does not become law until the date of promulgation. Therefore, the Embassy knows of no legal basis for the apprehension of these vessels at a distance of over nine nautical miles from the coast. It is regretted that the masters of the four vessels signed a statement that their position, when apprehended, was four miles from land.

[Here follows data for background information of the Department.]

Respectfully yours,

For the Ambassador:

PAUL J. REVELEY
Second Secretary of Embassy

812.625/9-1946

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

RESTRICTED
No. 1221
[Received September 26.]
Subject: Detention by Mexican Government of American Fishing Boats in the Port of Ciudad del Carmen, Campeche.

Sir: I have the honor to refer to the Embassy’s Despatch No. 1186 dated September 17, 1946, on the above captioned subject, to its Telegram No. 841 dated September 18,57 and to previous correspondence with regard to the detention of American fishing vessels off the Mexican coast.

As stated in the Embassy’s telegram cited, the Mexican Minister of Marine sent telegraphic instructions on September 18 to the Naval Zone Commander at Ciudad del Carmen to release the nine vessels, after the fine of 1,000 pesos each had been paid by the first four detained; and authorizing them to fish for two days in waters off the Campeche coast outside of the nine-mile limit.

Mr. Reveley, Secretary of Embassy, accompanied Messrs. Frederick Ernst and Felice Golino, owners of seven of the nine vessels, to the Mexican Ministry of Marine on the morning of September 18. Messrs. Ernst and Golino were introduced to Captain Rigoberto Otál, the Director of the Mexican Fisheries Department. Captain Otál accompanied Messrs. Ernst and Golino and the Embassy representative to the office of the Minister, General Heriberto Jara. Mr. Reveley stated to General Jara that he did not desire at this time to enter into a discussion with regard to United States and Mexican concepts of the limits of territorial waters; but that the masters of the nine boats

57 Latter not printed.
desire to return to Louisiana and to fish en route in the waters of the high seas off the Campeche coast without being molested by public vessels of Mexico. General Jara was informed that the captains of the four vessels first detained were prepared to pay the fines of one thousand pesos each levied against them; and that the owners of the nine vessels had requested the assistance of the Embassy to the end that they be allowed to fish for shrimp off the coast of Campeche en route home.

General Jara stated that to his knowledge the continental shelf extended for a distance considerably more than nine miles off the coast of Campeche; that the vessels obviously desired to fish in waters covering the shelf; and that the President of Mexico by a decree issued last year claimed these waters as part of the national domain of the Republic. Mr. Reveley told General Jara he believed that Mexico's claim to the waters covering the continental shelf would not become law until amendment to Article 27 of the Mexican Constitution, approved last year by the Congress, is ratified by the necessary number of the states and promulgated by the President in the Diario Oficial. Regardless of this legal process, General Jara said that Mexico considers the resources of the sea off the Campeche coast as the property of Mexico. He added that he would, however, instruct the Commander of the Second Naval Zone at Ciudad del Carmen, to allow all of the vessels to depart, after the four fines had been paid, and that they could fish for a period of two days in waters off the Campeche coast beyond the nine-mile limit. He then instructed Captain Otál to draft the telegraphic instruction to the Commander of the Naval Zone in Ciudad del Carmen.

Reference is made to the statement in the second paragraph on Page 3 of the Embassy's Despatch No. 1186 dated September 17, to the effect that the Embassy believes that instructions from the Department are necessary before it can make representations based on the views of the United States Government expressed in 1936 with regard to the limits of the territorial waters of Mexico. It is suggested therefore for the consideration of the Department that the Embassy be instructed to inform the Mexican Foreign Office along the following lines: that the United States Government, with reference to the claim of Mexico to the waters covering the continental shelf, holds to the views expressed in the Department's confidential note to the Mexican Ambassador in Washington dated January 24, 1946. Also, that pending the conclusion of a fisheries treaty between the two countries, it maintains that American fishing vessels have the right to fish in waters off the coast of Mexico that are considered as

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28 The penultimate paragraph.
the high seas in accordance with the generally accepted principles of International Law; and that pending the ratification to the Amendment of Article 27 of the Constitution and the conclusion of a fisheries treaty, the United States Government maintains that American fishing vessels are fully entitled to fish in waters covering the continental shelf off the coast of Mexico and beyond the three-mile limit.

The Embassy believes that any presentation of the United States Government's views on this subject at the present time, made in any other than a direct manner, would lead to an extended exchange of correspondence of a controversial nature. It is therefore respectfully suggested that a concise statement as given above or similarly worded should be presented to the Mexican Government in the form of a note from the Ambassador to the Mexican Foreign Minister.

Respectfully yours,

WALTER THURSTON

S12.628/9-1946

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

CONFIDENTIAL

WASHINGTON, November 15, 1946.
No. 575

Sir: Reference is made to your telegram no. 841 of September 18, 1946, despatch no. 1186 of September 17, 1946 and despatch no. 1221 of September 19, 1946 relative to action of Mexican authorities with respect to nine United States vessels which were either fishing or assumed to be preparing to fish for shrimp in the Gulf of Mexico off the coast of Campeche. The Department has checked on the position at time of seizure of the four vessels intercepted by Mexican officials on September 8, as given in Mr. Saravia's deposition of September 13, and finds evidence that such position was 17 miles from the Mexican coast on the 13 fathom line. From information given in the deposition of Mr. William D. Guthrie of September 13, 1946, it appears that the other five vessels were some 30 miles from Mexico at the time they were requested to come into Ciudad del Carmen.

The Department has considered carefully the action of Mexican authorities in this case in relation to the position which this Government took in 1936 with respect to the Mexican decree of August 29, 1935 defining territorial waters of Mexico as extending nine nautical miles from low-water mark on the coast. The matter has also been considered in relation to this Government’s proclamation of September 28, 1945 with respect to coastal fisheries, the declaration of October 29, 1945 by the President of Mexico with respect to his Government’s

*Not printed.
claim to the continental shelf adjacent to the coast of Mexico and to the natural resources thereof, and the Department’s confidential note of January 24, 1946 to the Mexican Ambassador at Washington with reference to the declaration of October 29, a copy of which note has been sent to the Embassy previously.

Prior to making a possible protest to the Mexican Government relative to the action of Mexican officials with respect to the nine vessels referred to above, the Department is awaiting the report on the matter, which the Mexican Ministry of Foreign Affairs has stated would be given to the Embassy, referred to in a telephone conversation of September 12, 1946 between an officer of the Department and an officer of the Embassy. The Department also plans to obtain further information from the fishermen to supplement the material contained in the deposition taken at Ciudad del Carmen on September 13, 1946 by officers of the Embassy. However, in view of the time which may elapse before the report of the Mexican authorities and other information are available, and considering the statement of the Mexican Minister of the Marine reported in despatch no. 1221 of September 19, that Mexico now considers the resources of the sea off the Campeche coast as the property of Mexico, the Department agrees with the Embassy’s suggestion that the position of this Government, as set out in the Department’s confidential note of January 24, 1946 to the Mexican Ambassador at Washington, should be reiterated, and a clear statement should be made as to the area in which the United States maintains that its nationals are entitled to fish without interference.

The Department recognizes the possibility that setting forth a clear denial of Mexican jurisdiction beyond a three mile limit of territorial waters may lead to a resumption of the 1936 discussions between this Government and Mexico as to the Mexican decree of August 29, 1935 and may raise questions as to the applicability as between the United States and Mexico of that decree in the Gulf of Mexico in view of the provisions of Article V of the treaty of February 2, 1848 and of Article I of the treaty of December 30, 1853. On the basis of the 1936 correspondence and of earlier statements made to the British Government by the United States with respect to the 1848 treaty, Mexico may possibly contend that as between the United States and Mexico the two countries have recognized a nine mile (or three league) limit of territorial waters for the Gulf of Mexico (see in particular instruction no. 1110 of May 23, 1936; despatch no. 3646 of June 3, 1936; 

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60 For treaty of peace between the United States and the United Mexican States, concluded at Guadalupe Hidalgo, February 2, 1848, see 18 Stat. (pt. 2) 492.
61 For treaty of limits, isthmus transit, etc., between the United States and Mexico, concluded December 30, 1853, see 18 Stat. (pt. 2) 503.
63 Ibid., p. 764.
despatch no. 3765 of July 14, 1936; instruction no. 1189 of August 19, 1936; and despatch no. 3869 of August 25, 1936). However, should this view be advanced by Mexico, the Department may take the position that Article V of the treaty of 1848 and Article I of the treaty of 1853 did not establish a limit of nine miles for territorial waters as between the United States and Mexico for the entire Gulf of Mexico, but merely established a point from which to start measuring the boundary line between the two countries.

In view of the fact that revival of the 1936 discussions might delay a reply by Mexico to this Government's proposals for a fisheries treaty between the two countries, consideration was given to the possibility of phrasing the note in general terms, avoiding reference to the specific area which the United States recognizes as Mexican territorial waters. However, such a position might be viewed by Mexico as tacit recognition, at least with respect to fishing vessels, of the validity of the Mexican claim to a nine mile limit of territorial waters in the Gulf of Mexico. In that event, future seizures of vessels between three and nine miles from the coast could only give rise to further discussions, and it would be necessary at that time for this Government either to state a position clearly in support of a three mile limit or to acquiesce in Mexico's claim to greater jurisdiction. Until the question was clarified between the two Governments, United States fishermen would be left in doubt as to the extent of the area in which they might operate while expecting the protection and assistance of their Government. Therefore, it is believed that our position should be stated clearly and precisely at this time. It is believed that the possible adverse effect on fishery treaty negotiations, as well as on efforts toward cooperation in carrying out the United States fishery proclamation of September 28, 1945 and Mexico's declaration of October 29, 1945 with respect to the continental shelf, will be less if this Government states its position clearly now than if such position is stated only after protracted discussions.

The Department's conception of the proper application of this Government's proclamation of September 28 and of the Mexican declaration of October 29, is as set out in the Department's confidential note of January 24, 1946 to the Mexican Ambassador at Washington; that is, that the adoption of fishery conservation measures for areas of the high seas should be based on scientific investigations showing a need for such measures, and that if nationals of other countries have fished in the area affected, regulations set up for such area can be made applicable to such nationals only under agreements between the coastal

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Ibid., p. 768.
Ibid., p. 769."
state and the government or governments whose nationals have fished there.

It is realized that by taking a position in opposition to unilateral implementation, beyond a three mile limit of territorial waters, of the Mexican declaration of October 29, 1945, we may give some grounds to other governments to protest any unilateral action which this Government may take to establish fishery conservation zones in areas of the high seas under the fisheries proclamation of September 28, 1945. However, it is believed that such distinctions as would be necessary in that event could be drawn on the basis that prior to the commencement of United States fishing operations in areas off the coasts of Mexico that country had not announced any fishery conservation regulations, based on scientific investigations showing a need for such measures, for those areas. Therefore, it does not appear that this Government would be taking an untenable position in establishing fishery conservation zones, unilaterally, for areas in which United States nationals alone engage in fishing activities, while at the same time insisting that arrangements between the United States and Mexico are necessary before fishery regulations may be made applicable to United States nationals engaged in fishing on the high seas off the coast of Mexico.

In order that the Mexican authorities may understand clearly the position of the United States with respect to recognized jurisdiction over United States fishing vessels, you are requested to transmit to the Mexican Minister for Foreign Affairs a note along the following lines:

With reference to the declaration of October 29, 1945 of the President of Mexico with respect to Mexico's claim to the continental shelf adjacent to Mexico and to the natural resources thereof, the United States Government continues to hold firmly to the views expressed in the Department of State's confidential note of January 24, 1946 to the Mexican Ambassador at Washington. It maintains that United States fishing vessels have the right to continue to fish in waters off the Mexican coast beyond the limits of territorial waters. Pending the conclusion of a fisheries treaty between the United States and Mexico providing for such regulation of the fishing activities of the nationals of the two countries as may be necessary for the conservation of fishery resources of mutual interest to the United States and Mexico, the United States Government maintains that its nationals are entitled to fish freely in such waters off the coast of Mexico as are beyond the three mile limit of territorial waters. The Government of the United States is reserving, until such time as it receives a report of the investigation by the Mexican Government, any statement on the recent action of Mexican officials with respect to certain United States fishing vessels which were operating in the Gulf of Mexico.67

67 This paragraph was quoted in note No. 571, December 10, 1946, from Ambassador Thurston to the Mexican Minister for Foreign Affairs, copy of which was transmitted to the Department in despatch 2820, December 24.
In view of the close attention which officers of the Embassy have been giving to this matter, the Department would appreciate receiving any suggestions which you may have for changes which you believe should be made in the general outlines of the note prior to delivery. You will note that reference to the amendment to Article 27 of the Mexican Constitution, which amendment is understood to be necessary to make the declaration of October 29, 1945 effective in Mexican law, has been omitted. This omission has been made because the Department wishes to avoid any statement which might give the impression that this Government will recognize any effect of the declaration on United States vessels prior to such time as appropriate arrangements have been made by treaty between the United States and Mexico.

At the time of presenting this note to the Mexican authorities, or shortly thereafter, as you may deem appropriate in the circumstances, you are requested to bring to the attention of Mexican officials, in such manner as the Embassy considers proper, the fact that this Government is still interested in the proposals for a fisheries treaty presented to them last September, and would appreciate receiving the Mexican views on these proposals at an early date. At the same time, you might point to our expectation that the conclusion of such a treaty would advance the two countries’ mutual interest in conservation of important fishery resources and provide a solution for some of the questions relative to fisheries which might have an adverse effect on present excellent relations between our two Governments.

The Department has not issued any statement relative to action of Mexican officials with respect to the vessels referred to in this instruction, and does not intend to issue any statement prior to transmission to the Mexican Government of the above-mentioned note. However, in view of public interest in the matter, it may become necessary for the Department to make a statement prior to receiving Mexico’s reply to this note. In that event the Department proposes, if the Embassy perceives no objection, to issue a statement along the following lines:

The Embassy in Mexico City has delivered a note to the Mexican authorities stating that the United States continues to maintain that its nationals are entitled to fish in waters off the coast of Mexico beyond the limits of territorial waters. With reference to the declaration of October 29, 1945 of the President of Mexico with respect to his Government’s claim to the continental shelf adjacent to the coast of Mexico and to the natural resources thereof, the United States has advised the Government of Mexico that pending the conclusion of a fisheries treaty between the United States and Mexico providing for the conservation of fishery resources of interest to the two countries and for recognition of the rights and interests of the United States and its nationals in such resources, the United States maintains that
its nationals are entitled to fish in waters off the coast of Mexico beyond the three mile limit of territorial waters.\textsuperscript{68}

I take this opportunity to express the Department’s commendation of the manner in which officers of the Embassy have handled the problems arising out of the action of Mexican authorities with respect to the nine United States fishing vessels referred to in this instruction.

[Here follow comments on a question of an individual’s claim of discovery.]

Very truly yours, 

For the Acting Secretary of State: 

W. L. CLAYTON

AGREEMENT BETWEEN THE UNITED STATES AND MEXICO AMENDING AND EXTENDING TO 1948 THE 1942 AGREEMENT RESPECTING A UNITED STATES FISHERIES MISSION TO MEXICO

[Effect ed by exchange of notes signed at Mexico City, September 23 and October 22, 1946; for texts of notes, see Department of State Treaties and other International Acts Series No. 1624, or 61 Stat. (pt. 3) 2903. For exchanges of communications at Mexico City, dated April 17, May 22, July 22 and 27, and October 24, 1942, and exchanges of notes of September 7 and October 18, 1944, amending and extending the agreement, see Department of State Executive Agreement Series No. 443, or 58 Stat. (pt. 2) 1554.]

AGREEMENT BETWEEN THE UNITED STATES AND MEXICO RESPECTING A COOPERATIVE PROGRAM FOR WEATHER STATIONS ON GUADELOUPE ISLAND

[Effect ed by exchange of notes signed at Mexico City November 6, 1945, and April 12, 1946. For texts of notes and accompanying memorandum, see Department of State, Treaties and other International Acts Series No. 1807, or 61 Stat. (pt. 4) 4060.]

\textsuperscript{68} Ambassador Thurston, in despatch 2320, December 24, 1946, expressed the opinion “that, unless new seizures of American fishing vessels are made by public vessels of Mexico, a statement should not be issued at the present time.” (812.628/12–2446)