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THESIS APPROVAL

The abstract and thesis of Barbara Allen Kuzio for the Master of Arts in History were presented December 5, 1996, and accepted by the thesis committee and the department.

COMMITTEE APPROVALS:

Friedrich Schuler, Chair

David Horowitz

Craig Wollner

Martha Works
Representative, Office of Graduate Studies

DEPARTMENTAL APPROVAL:

Gordon B. Dodds, Chair
Department of History

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ABSTRACT

An abstract of the thesis of Barbara Allen Kuzio for the Master of Arts in History presented December 5, 1996.

Title: President Abelardo Rodríguez (1932-34): From Maximato to Cardenismo.

The 1920s and 1930s in Mexico were characterized by a period of social, political and economic reconstruction following the military phase of the Mexican Revolution from 1910 to 1920. The Sonoran Dynasty, dominated by military generals Alvaro Obregón and Plutarco Elías Calles, ruled the Mexican government from 1920 to 1934. More specifically, during the period known as the Maximato (1928-34), Calles, the Jefe Máximo, attempted to control three different presidents from behind the scenes. It was not until December 1934, when Lázaro Cárdenas began his six year term as President of Mexico, that the Sonoran Dynasty officially ended.

This thesis focuses on Abelardo Rodríguez, the third president of the Maximato from September 1932 to December 1, 1934. Historians have written little about Rodríguez's presidency because he is viewed strictly as a puppet president under Calles. The intent of this research is first to extract Rodríguez from obscurity and shed some light on his

substantial contributions to Mexico's post revolutionary economic and social reconstruction as interim President. And second, to reveal his role not as puppet number three of the Maximato but as a political leader with his own agenda.

Rodríguez was chosen by Calles to be Interim President. However, while in office he gradually shifted his allegiance from Calles to Cárdenas as Cárdenas wielded more power, replacing Calles collaborators in his administration with Cárdenas proponents. From that perspective the Rodríguez administration became a transitional government which peacefully shifted power from the Maximato to Cardenismo.

The Mexican Six Year Plan developed in 1933 reflected this new shift in power. My research will show that Abelardo Rodríguez aggressively pursued the implementation of the Six Year Plan during 1934. More importantly, he interjected his own interpretation, which included federal policies that reflected a mix of capitalist economic philosophy and New Deal social policies, learned from his U.S.-Mexican border relationships while governor of Baja California. As a result, this research concludes that Rodruiguismo, acting as an independent force, laid most of the foundations for the successes President Cárdenas achieved between 1935 and 1937, something historians totally credit to Cárdenas.

PRESIDENT ABELARDO RODRIGUEZ (1932-1934): FROM
MAXIMATO TO CARDENISMO

by
BARBARA ALLEN KUZIO

A thesis submitted in partial fulfillment of the
requirements for the degree of

MASTER OF ARTS
in
HISTORY

Portland State University
1997

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Introduction

The 1920s and 1930s in Mexico were characterized by a period of social, political and economic reconstruction following the military phase of the Mexican Revolution from 1910 to 1920. The Sonoran Dynasty, dominated by military generals Alvaro Obregón and Plutarco Elías Calles from the State of Sonora, ruled the Mexican government from 1920 to 1934. President of Mexico from 1920 to 1924, Obregón handed over the presidency to Calles from 1924 to 1928 and returned for a second term in 1928. His assassination, the day after taking office, created a political vacuum for the Sonoran power. Rather than reassume the presidency himself, Calles filled Obregón's six year term from 1928 to 1934 with three different presidents-- Portes Gil, Ortiz Rubio, and Abelardo Rodríguez-- all whom he attempted to control from behind the scenes. Because General Calles was referred to as the "Jefe Máximo de la Revolución" beginning with the Rubio administration, the period became known as the Maximato. It was not until December 1934, when Lázaro Cárdenas from the central state of Michoacán began his six year term as President of Mexico, that the Sonoran Dynasty officially ended.

My research focuses on Abelardo Rodríguez, the third president of the Maximato from September 1932 to December 1, 1934. The standard textbook currently used in teaching a course on Mexican history, Michael Meyer's and William

Sherman's 781 page volume, The Course of Mexican History mentions Abelardo Rodríguez three times, twice in a listing of presidents of the period, and once as "a man with less administrative talent than relish for power, as puppet number three of the Maximato."¹ The purpose of my research is first to extract President Rodríguez from obscurity and shed some light on his substantial contributions to Mexico's post revolutionary economic and social reconstruction as interim President. And second, to reveal his role not as puppet number three of the Maximato but as a political leader with his own agenda.

Unknown to the larger world, Abelardo Rodríguez was well-known to Northwestern Mexico, California businessmen along the U.S.-Mexican border and Mexican President Plutarco Calles in the 1920s. As Governor of Baja California from 1923 to 1930, Rodríguez acquired administrative skills and financial expertise that allowed him to survive future political challenges. He provided Baja California with six years of political stability and economic development and brought this isolated periphery of Mexico under tighter control of the Mexican government. During these years, he demonstrated consistent loyalty to the Jefe Máximo which earned him Calles' trust and free reign to administer Baja California. Along the way, he established himself as the

¹Michael C. Meyer and William L. Sherman, The Course of Mexican History (New York: Oxford University Press, 1991), p. 591.

Caudillo of Mexico's West and accumulated enormous personal wealth.

Rodríguez reproduced this formula when he became interim President of Mexico in September 1932. By choosing to work within the party system, Rodríguez demonstrated loyalty to Calles and the National Revolutionary Party (PNR), who reciprocated by giving him the freedom to administer Mexico's central government. Yet within this parameter, Rodríguez developed his own distinct brand of economic and social policies. He created federal policies that reflected a mix of capitalist economic philosophy and New Deal social policies, something he had learned in his U.S.-Mexican border relationships. To that, he added the ideological prescription of Obregón's and Calles' Sonoran dynasty.

Rodríguez was installed as third president of the Maximato. However, while in office he gradually shifted his allegiance from Calles to Cárdenas, as Cárdenas wielded more power. From that perspective the Rodríguez administration became a transitional government which peacefully shifted power from the Maximato to Cardenismo. The Mexican Six Year Plan developed in 1933 reflected this new shift in power. My research will show that Abelardo Rodríguez aggressively pursued the implementation of the Six Year Plan during 1934. More importantly, he interjected his own interpretation, and laid most of the foundations for the successes President Lázaro Cárdenas achieved between 1935 and 1937.

The research for my thesis is primarily taken from the U.S. State Department Mexican Internal Affairs documents.² Little has been written by historians concerning Rodríguez's presidency. While Lorenzo Meyer has written him off as simply another puppet of the Maximato,³ the State Department sources reveal his importance from the U.S. diplomatic viewpoint. These primary documents and the John F.W. Dulles⁴ book paint a very favorable picture of Rodríguez as an administrator, confirming that Rodriguismo did exist and that it served as the transitional government from the Maximato to Cardenismo.

The first chapter establishes Abelardo Rodríguez as a very capable governor who literally carved an economically viable and politically stable Mexican state out of nothing. At the same time he cemented the confidence of both Calles and the U.S. and created his vast personal wealth and political power in Northern Mexico. Chapter two describes the political power struggle at the national level which revolved around the upcoming 1934 presidential election and how Rodríguez was placed by Calles as third president of the Maximato. After the stage is set, chapter three separates Rodríguez from the

²NAUS Diplomatic Record Group 59, Records of the Department of State Relating to Internal Affairs of Mexico, 1930-1939. Microfilm Ed. M1370. Hereafter cited NAUS.

³Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934. Vol.12 Los Inicios De La Institucionalización La Política Del Maximato, and Vol. 13 El Conflicto Social y los Gobiernos del Maximato (Mexico City: El Colegio De Mexico, 1978)

⁴John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961).

Maximato and highlights his administrative qualities and the strong U.S. influence he brought to the Mexican presidency.

Chapter four answers the central question of who ran the Rodríguez government. Both Rodríguez and Calles struggled to dominate the government but Rodríguez prevailed when he replaced several of Calles' collaborators with men of his own in his cabinet. Importantly, from the outset he contained the national military power. Chapter five moves beyond who controlled the Rodríguez administration to show that Rodríguez was actively involved in the transition to Cardenismo. It describes the power struggle between Cárdenas and Calles and Rodríguez's role in this struggle during the development of the Mexican Six Year Plan in 1933.

Chapter six, seven, and eight focus on Rodríguez's concrete accomplishments in the areas of finance, and agrarian and labor reform which set the groundwork for the Cárdenas administration's social reforms. Here the question of who ran the government is answered conclusively as Rodríguez and his finance ministers set fiscal policy for the country, Rodríguez ultimately usurped all power from the states and congress and dictated agrarian reform as head of the Agrarian Commission and regulated labor through personal control of the national Arbitration Board. At the same time he promoted consumption through minimum wage legislation which he also strong-armed through Congress over States' interests.

Chapter nine returns to the power struggle between Cárdenas and Calles, now set in 1934. When Calles reignited the religious issue to create a political crisis for Cárdenas, Rodríguez stabilized the situation for Cárdenas. Finally, the conclusions reconsider the Rodríguez administration based on this new information.

Chapter I: Education of a Northern Politician

Abelardo Luis Rodríguez was born in Guaymas on May 12, 1889. He worked in Sonora for the Cananea Copper Co. after a minimal primary education before joining the Constitutionalist Army in 1913 at age twenty two. Between 1913 and 1915, he rose from lieutenant to divisional general, the Mexican Army's highest rank, as a participant in almost every major revolutionary battle. From 1916 to 1920 Rodríguez served exclusively in a Sonoran unit where he fought the Yaqui Indians for the Carranza administration. It was during this time that he developed a friendship with Plutarco Elías Calles who was Chief of Yaqui Operations. Rather than use violence, Colonel Rodríguez proposed to settle the Yaqui problem through equitable land distribution. By the end of 1916, he had organized the first Indian camp under his custody and pacified an important point of unrest.¹

In May 1920 Rodríguez became Brigadier General under President Obregón and devoted himself to army administration, serving as a zone commander, adjutant general of Mexico City, chief of cavalry and chief of staff. In July, Obregón directed Rodríguez to organize an expedition to reestablish federal control over Baja California since the northern area remained

¹Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 62

outside of federal authority. It was an independent state under the personal control of Colonel Esteban Cantú. In 1923, after defeating Cantú, Rodríguez became chief of Operations and Governor of the Northern District of Baja California.²

Northern District Governor: 1923–1930

The primary task of Rodríguez's administration was to defend Mexico's sovereignty against the encroachment of the United States by establishing permanent military and communication bases and providing interoceanic communication which linked Baja California more closely with the Mexican Republic.³ He also concentrated on the development of public services and education in his campaign to keep the Northern District under Mexican control. What he achieved was far greater. He literally created a Mexican state where none had existed.

As a state administrator, Governor Rodríguez built up the local treasury to develop public works. In the 1920s, the Northern District was subsidized 900,000 pesos annually by the Federal Department of Public Education and Justice. By 1924 Rodríguez had reduced half of the subsidy and in 1925 he surrendered the other half. Soon the treasury of the Northern

² Ibid., p. 65.

³ Ibid., p. 65–66.

District furnished the Central Government the amount of 900,000 pesos to help defray the large expenses created by the 'delahuertista' rebellion.⁴ By the end of his governorship in 1930, Baja California had established an impressive balance of 4,800,000 pesos financing all of its own public services, especially the educational branch. It provided additional funds to the Federal government to fight the Escobar Rebellion in 1929.⁵

In the early 1920s, Baja California public employees often lived on the U.S. side of the border because services were available there that did not exist in Mexico. Governor Rodríguez ordered them to live within the national territory. He developed Tijuana and Mexicali as principal population and tourism centers by providing necessary municipal services such as sewage, lighting, electricity and paved roads. He built schools, residences and other public buildings like stores and theaters. He provided irrigation and drinkable water through the construction of the Rodríguez Dam. It harnessed the Tijuana River waters and challenged the idea that the United States was the only one to profit from it. Rodríguez built roads between Mexicali and Tijuana, Tijuana to Ensenada, Mexicali to Algodones and Tijuana to La Paz. He developed new

⁴NAUS 812.00/29793, No.1845, *Excelsior*, September 5, 1932, Reel 2.

⁵ Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 69-70. Rodríguez also provided arms against the Escobar Rebellion by organizing the 21st infantry Battalion and two voluntary corps to invade Sonora.

industries in the Northern District including soap, seeders, flour, distilleries, wine, ice and beer. Eventually higher salaries and the elevated standard of living of the workers attracted new residents. As a result, the population of Baja California increased from 23,537 inhabitants in 1921 to 48,327 in 1930.⁶

Governor Rodríguez's education policies in the Northern District paralleled those of Presidents Obregón and Calles on the national level. During his presidency, Obregón named José Vasconcelos secretary of education to implement Article 3 of the 1917 Constitution. Backed by increased federal funds, Vasconcelos became the patron of the rural school. Over a thousand rural schools were built in Mexico between 1920 and 1924, more than during the previous fifty years. By 1928 Calles had added two thousand rural schools.⁷ Within this context, Governor Rodríguez put an emphasis on rural education in his District. He estimated that the Revolution had:

"acquired a national and human compromise that cannot be rectified without the fundamental change and immediate construction of public education, and for sincere revolutionaries to boast of the Revolution solidly contradicts this compromise which must consist of educating the people."⁸

⁶ Ibid., p.70.

⁷ Michael C. Meyer and William L. Sherman, The Course of Mexican History (New York: Oxford University Press, 1991), p. 572-584.

⁸ Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 71.

Governor Rodríguez devoted 46% of his State's total public works budget to education to sustain 55 schools including high schools, elementary schools and night schools which consisted of one industrial and another normal and preparatory school. He constructed more than 35 buildings with modern facilities and educational materials. His special focus was on teacher's pay who received 10 to 15 pesos a day.⁹

In regard to agrarian reform, on the national level Presidents Obregón and Calles divided agricultural lands into communal ejidos rather than individual parcels. However, Governor Rodríguez experimented with both individual parcelation and communal efforts. He redeemed national lands which had been in the hands of foreign companies and distributed them to small individual Mexican agriculturalists. He bought closed colonies whose lands were a part of the Colorado River Delta and owned by U.S. companies according to the Commission on International Waters. With these he formed Mexican colonies but gave individual financing to the colonists. Governor Rodríguez also established a cooperative system of colonization, the Colonia Progreso y Anexas, which involved 230 families and over 5,300 hectares of land under the total control of the District government as an experimental project.¹⁰

⁹ Ibid., p. 71.

¹⁰ Ibid., p. 72-73.

Nationally, President Calles initiated a series of irrigation projects and agricultural schools and began to extend credit to small farmers to help curb the decline in agricultural productivity as a result of confiscation of land from the hacienda system. Likewise, Rodríguez sought agricultural productivity for the Northern District over mere social reform and knew this could only be realized with credit, irrigation, supplies and education. Agricultural development required funding and the Governor founded the Agrícola Peninsular Banco with his own money and half a million pesos in capital to lend money for provisions, seed, and irrigation water.¹¹

Labor was neither organized in the Northern District nor incorporated with the labor movement in the rest of the country. There were only four unions with a total of 173 members prior to 1924. During Rodríguez's governorship, it grew to 35 syndications with 3,350 members. Most of the growth was due to day laborers transported to the Northern District from Sinoloa and Sonora, repatriated nationals, and the accord that obligated Mexican businesses to hire 50% Mexican workers. Eventually the District required businesses to hire 90% nationals which was before the establishment of the Federal Law which required the same. A personal preoccupation of Governor Rodríguez was the establishment of a minimum wage, a policy he carried with him to the

¹¹Ibid., p. 74.

Presidency. He established the Board of Conciliation and Arbitration in May 1925. The eight hour work day, double pay for overtime and the minimum wage of four pesos a day followed shortly.¹²

Governor Rodríguez singlehandedly carved a politically stable, economically viable Northern State in Mexico where none had existed in less than a five year period. A Mexico City paper put his achievements into perspective:

"General Rodríguez devoted himself wholeheartedly to the economic reorganization of the district. Magnificently equipped schools, agricultural colonies, highways, modern municipal services, and what is the most noteworthy of mention, perfect order throughout the region, were the results of an administrative labor over a period of less than five years. The capital of the District, Mexicali, came to be the only city along the Northern border more important than its neighbor of the American side. Travelers crossing the border received the impression of being in a progressive, rich and industrious town."¹³

Prosperous Businessman

While Rodríguez's goal as governor of Baja California was to bring the northern periphery into closer political

¹²Ibid., p. 74.

¹³NAUS 812.00/29793, No.1845, *Excelsior*, September 5, 1932, Reel

control by the Mexican Republic, his success was achieved by forging close ties with the American economy which not only enriched the Northern District but also enriched Rodríguez personally. This in turn increased his need to remain in control of this region so that his holdings would not be jeopardized.

By 1930, Rodríguez was already a prosperous business man with a variety of interests. These included almost complete ownership of the Compañía Productos Marinos, S.A. which had fish packing plants at El Sauzal, near Ensenada, at Cedros Island, and at Cape San Lucas, Lower California, as well as a floating cannery - the CALMEX; interest in the Bancaria del Pacifico, S.A., the only bank operating in the Ensenada consular district; a winery at Santo Tomas, Lower California; other ranch and agricultural lands in the municipality of Ensenada; and a twenty-five percent interest in the Agua Caliente Hotel Company which he shared primarily with American investors.¹⁴ The Compañía Mexicana del Agua Caliente, S.A. was organized under Mexican laws on September 13, 1928 for the purpose of operating a hotel and resort. A majority of the company's officers and directors were American citizens forfeiting rights under Mexican law.¹⁵ "To

¹⁴NAUS 812.00 Lower California/91, Smale, November 10, 1931, Reel 13.

¹⁵NAUS 812.5034/114, May 12, 1931, Reel 51.

these interests General Rodríguez later added large holdings and industrial enterprises on the mainland of Mexico."¹⁶

Governor Rodríguez established a reputation of being friendly toward the United States. He was popular with the officials and the people of Southern California.¹⁷ During his administration, the Northern District government was known for prompt payment of its obligations, so that business interests in nearby cities and towns of Southern California became very eager to do business with him. Rodríguez often cooperated with the commercial interests on the U.S. side to the extent that Mexicali residents could purchase merchandise on installment plans and bring merchandise, especially cars, into Mexico. If a resident of Mexicali defaulted, pressure would be exercised through the District Government Police Authorities.¹⁸

Political Intrigue in the Northern District

General Rodríguez acted as Caudillo of the Northern District. The only major political challenge to his position came when President Ortiz Rubio attempted to usurp local power and economic profits from Rodríguez's interests in Baja

¹⁶NAUS 812.00/29744, Smale, August 5, 1932, Reel 2.

¹⁷NAUS 812.002/353, No.1727, R. Clark, August 1, 1932, Reel 25.

¹⁸NAUS 812.00 Lower California, Frank Bohr, April 18, 1931, Reel 13.

California. While the World Depression affected the growing tourist trade, the frontier towns continued to receive an enormous quantity of visitors. Prohibition in the U.S. and the existence of numerous casinos brought enough tourists for big economic returns.¹⁹ This led to a struggle for control of the politician's bonanza which the development of the American tourist traffic had made of the region. The Rodríguez forces, which followed a friendly policy with the Americans, were on one side fighting to hold their own while Rubio and his allies sought to oust them with claims they would return the Northern District to greater Mexican control.²⁰

First to come under attack by the Rubio forces was Governor José María Tapia. After being in power for six years in the Northern District, Rodríguez had resigned from the army and the governorship at the end of 1929 and spent eight months in Europe studying the hotel industry. Rodríguez handed off the governorship to General Tapia, his long time protégé. Tapia had served in various government positions in Lower California, first as a military officer under General Rodríguez, then Chief of Staff to Rodríguez until 1926 when he was elected Congressman to Lower California. As President, Emilio Portes Gil appointed Tapia as his Chief of Staff, then

¹⁹Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934, Vol 12: Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 271.

²⁰NAUS 812.00 Lower California/59, Harper/Smale/Ensenada, December 1930, Reel 13.

Provisional Governor of the Northern District and finally Civil and Military Governor of the Northern District about two months before the latter retired from office.²¹

Soon after Ortiz Rubio took office as President on February 5, 1930, he pursued replacing Tapia with a governor loyal to himself and one who would share the large profits from the different Rodríguez gambling and racing concessions located in Tijuana and Agua Caliente. Señor Manuel Hernández Cházaro, Private Secretary to President Rubio, visited Agua Caliente and made a passionate report to Mexico City that the border was completely Americanized, so much so that Mexican money was not being allowed to circulate and blamed the conditions on Tapia. Tapia resigned and led demonstrations throughout the district. General Calles, who had always supported Tapia, tried to prevent him from being removed from office but Cházaro's influence at the time was too great. Next Calles met with several Cabinet members including Portes Gil who threatened resignation if Cházaro did not step down. As a result Cházaro was removed from office but given the more important position as Governor of the Federal District. Calles protested and after Cházaro held the position of Governor for only 48 hours rendered his resignation and left for Europe "on account of his health."²²

²¹ Ibid.

²² Ibid.

General Arturo Bernal, who was in the Rubio camp, replaced Tapia for three short months from September 3 to December 24, 1930 until Rodríguez, who had scarcely landed from Europe, rushed off to the Capital to rectify the situation. Rodríguez's considerable influence with Calles led to the quick removal of General Bernal. Bernal had earned Rodríguez's displeasure by temporarily closing Rodríguez's Foreign Club Gambling Casino at Tijuana, adding to his difficulties with the A.B.W. Casino at Mexicali, and stopping construction on the Rodríguez Dam. Bernal also incurred the displeasure of the commercial and industrial interests by initiating high road construction taxes and exacting contributions during a time of low cotton prices and considerably reduced income from the American tourist trade.²³

Carlos Trejo y Lerdo de Tejada replaced Bernal from December 27, 1930 until November 1, 1931. Tejada's political sympathies were with the Rodríguez faction, and his selection was attributed to Rodríguez's influence in Mexico City. General Tapia came back as military commander of the peninsula, all of which indicated that Rodríguez was still powerful in this section of Mexico. This pro-Rodríguez political change also gave rise to a general feeling of optimism among American business concerns.²⁴

²³ NAUS 812.00 Lower California/60, Frank Bohr, December 20, 1930, Reel 13.

²⁴ NAUS 812.00 Lower California/59, Harper/Smale/Ensenada, December 1930, Reel 13.

Even though Rodríguez succeeded in placing his own men in the governorship, Rubio tried other measures to gain control of the gambling profits. In July 1931, Rubio took control of the gambling concessions in Mexico from the Department of Gobernación. The contention was that many games and gambling devices were being operated which were not permissible in accordance with Mexican Federal Law. The outcome was that new legislation on gambling permits would need to be enacted in the near future. Meanwhile, the only change was that the slot machines at Mexicali, which had been suppressed for some five or six weeks, were now again being operated by means of permits that were issued directly by the local District Government instead of by the Department of Gobernación in Mexico City.²⁵ This was an obvious victory for Rodríguez.

The World Depression negatively affected Rodríguez's holdings along with the local and national economy. Profits from grain commerce and cotton and subsidiaries shrank with the closing of the export markets, and income from the North American tourist trade at hotels, casinos and horse racing decreased.²⁶ The economy was exceedingly depressed in view of the continued scarcity of work and the low exchange value of the Mexican currency. This resulted in the closing either

²⁵NAUS 812.00 Lower California, Frank Bohr/American Consul, July 9, 1931, Reel 13.

²⁶NAUS 812.00/29744, Smale, August 5, 1932, Reel 2.

temporarily or indefinitely, of a large number of the local saloons and cabarets.²⁷ The Owl or A.B.W. Gambling Casino, the only licensed gambling casino in Mexicali, was closed on August 31 for an indefinite period. Its concession was surrendered to the Mexican Government because the owners, which included Rodríguez, were said to have been losing about \$10,000 during each of the three previous months due to the depression, the Casino's considerable overhead, and \$30,000 Mexican Federal Government taxes and contributions.²⁸ In other words, Rodríguez handed off his gambling concessions to the government when they were losing money and took them back when they were profitable.

Although throughout the Rubio administration attempts to acquire gambling profits from Rodríguez's concerns continued, during his cabinet crisis in October 1931, Rubio was suddenly more lenient. The A.B.W. Gambling Casino at Mexicali was again opened for business on October 1. More favorable concession terms were extended by the Government. On the same date, the competing four smaller gambling concessions that had been extended during the past month to local saloons were revoked and the gambling in these was suppressed. Each concession was required to pay \$250 per day in taxes. All of this gave monopoly control to the A.B.W. Casino. In addition,

²⁷NAUS 812.00 Lower California/83, Report for August, September 1931, Reel 13.

²⁸NAUS 812.00 Lower California, October 14, 1931, Reel 13.

Chapter II: Rodríguez and National Politics

From 1930-32 ex-governor Rodríguez moved into the inner circles of government in Mexico City in conjunction with his political partnership with General Calles. As early as January 30, 1932 General Rodríguez was being groomed for the Presidency of Mexico. During this period, leading politicians and Cabinet ministers in Mexico City were in a power struggle revolving around the dominant political figure Calles and the upcoming Presidential election in 1934. Rodríguez collaborated with Calles against the political intrigue of President Ortiz Rubio and his allies as each side strove to form alliances in an effort to shift the balance of power at the national level.

Cabinet Crisis

President Rubio counted on four active generals in his Cabinet, Juan Andreu Almazán, Joaquín Amaro, Lázaro Cárdenas and Saturnino Cedillo, to back him against any dissent from other legislative and Party leaders. However, Rubio was concerned that War Minister Amaro was trying to usurp his presidential powers. Like his secretary Cházaro, Rubio believed Amaro could take sides with Calles against him if

necessary.¹ Calles also thought General Amaro was becoming dictatorial but in opposition to Calles.² In addition Communications Minister Almazán, felt Calles had robbed him of much of his glory and that Calles allies Pérez Treviño and Carlos Riva Palacio were conspiring for the presidency.³ All of this political intrigue led to a radical cabinet change in October 1931 with ex-governor Rodríguez siding with Calles against Amaro.

During events leading to the Cabinet crisis, General Calles had sent for General Rodríguez in September, who was then in lower California attending to his private businesses. Lt. Miguel R. Navarett, who was in charge of the Military radio station in Ensenada, stated that when Rodríguez arrived in Mexico City General Calles, “ had his bags packed, ready to depart,” indicating that a very serious political condition prevailed in Mexico City at the time of his arrival and it was a clear inference that General Rodríguez was instrumental in clarifying the situation.”⁴ Sr. Miguel Gandara, one of General Rodríguez’s closest friends and a partner in a number of the General’s Lower California enterprises, said Rodríguez had communicated to him from Mexico City that Rubio was being

¹John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 522-527.

²NAUS 812.00 Lower California/91, Smale, November 10, 1931, Reel 13.

³John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 522-527.

⁴NAUS 812.00/29744, Smale, August 5, 1932, Reel 2.

dominated by General Amaro especially in recent months. At the same time the press reported that General Calles was about to depart for the United States for health reasons.⁵ Calles was leery about leaving the country with Rubio in charge and Amaro on the move. Calles wanted Rodríguez in a Cabinet position to represent his interests while he was absent from Mexico City.

General Amaro challenged Rodríguez's authority in the Northern District as part of his offensive against the Calles/Rodríguez partnership. Coronel Cortez, Commanding Officer of the Military forces at Ensenada reported that organized agrarians in the district were a threat and that Amaro military men had been lending very active support to the organized agrarian movement.⁶ Thus, one of the objectives of Rodríguez's trip to Mexico City was to settle the agrarian troubles created by Amaro in the Northern District.

In addition, Gandara told Rodríguez that Coronel Aleman Vazquez, Commanding Officer of the Military forces at Tijuana had reported General Rodríguez's every movement to Amaro. That General Rodríguez and General Amaro were not friendly was common knowledge. One reason was Amaro's opposition to Rodríguez as a cabinet appointee following the 1929 Escobar insurrection. Another reason was Rodríguez's friendship with

⁵NAUS 812.00 Lower California/91, Smale, November 10, 1931, Reel 13

⁶Ibid.

Calles. Whether the dislike for each other antedated General Amaro's opposition to his appointment to the cabinet was not known.⁷

In connection with the agrarian issue, the question was raised as to why Baja California Governor Tejada, a Rodríguez appointee, had taken no action to suppress the agrarians in the Northern District. Military and civil authorities had been opposed to each other in the District and Tejada as a civilian was powerless to correct the agrarian situation which was being fostered by General Amaro. Rodríguez had tried to remain inconspicuous during the Tejada rule, neither siding with the Military or the Governor but Amaro had forced him to step in.⁸

From Mexico City Rodríguez hinted that the agrarian troubles were not confined to Lower California. The Mexico City press of October 5, 1931 reported that four Mexican states had proposed the creation of a vast reserve army among the campesinos, which if extended to the entire Republic would furnish a reserve army of some 500,000 persons. Therefore, Rodríguez wanted to remove a very serious local threat against the Calles national faction.⁹

The Rodríguez/Calles faction asserted its power and triumphed over Amaro and Rubio at the national level. The

⁷Ibid.

⁸Ibid.

⁹Ibid.

outcome of the Cabinet crisis was the resignation of the four generals, with Calles becoming Minister of War and Rodríguez taking over as Undersecretary on October 14, 1931. On January 20, 1932 further cabinet changes eliminated Montes de Oca (Finance), Genero Estrada (Foreign Relations), and Aarón Sáenz (Industry, Commerce, and Labor), three particularly loyal to Rubio. Rodríguez became the new Minister of Industry, Commerce and Labor which placed Calles and Rodríguez in key Cabinet positions.¹⁰

A Deliberate Path To The Presidency

Rodríguez's objective was the presidency, not a key Cabinet post. In May 1932, General Rodríguez stated that he would not be the Secretary of Commerce for long, that he wished to lay the foundation for certain changes in the labor laws, including a four peso minimum wage, and would be prepared to leave the working out of details to a successor. He wanted to return North to his commercial enterprises because he was disgusted with politics. But when asked what he would do if it was decided that the country needed him in the Presidency, he replied: "you already know (the answer)."¹¹

¹⁰John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 527.

¹¹NAUS 812.00/29744, Smale, August 5, 1932, Reel 2.

General Rodríguez could have returned to the governorship of the Northern Territory but his attitude was that if he could not occupy a high position in Mexico City he would simply remain an officer in the Mexican Army and concentrate his efforts to further his private interests in Lower California.¹²

The next rung on the ladder for Rodríguez was Minister of War. Calles had been absent for a month during the spring of 1932 when, as his second wife's health was failing fast, he took her to Boston. Upon his return to Mexico, since neither his own health nor his wife's would permit him to run the War Ministry, he decided to resign and suggested Abelardo Rodríguez, Pedro Almada or Andrés Figueroa as a replacement. Pedro J. Almada described the trip made to inform President Rubio. He was in the car with Rodríguez, to whom he remarked: "You'll be Minister of War. But what crazy chance made Figueroa and me opponents? They couldn't have chosen worse opponents. I think this was something that was planned so as to have you grouped with some of us who would not outshine you." Almada goes on to say that "Abelardo laughed, but my prophecy came true." Calles told Ambassador Puig Casauranc not only to advise the President of his decision to resign from the War Ministry, but also, not to leave his study, "even if it

¹²NAUS 812.00 Lower California/91, Smale, November 10, 1931, Reel 13.

¹³John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 233.

took hours to convince him," until Rubio agreed to make Rodríguez the next War Minister. In five minutes Ortiz Rubio agreed to his appointment.¹³ Within somewhat more than a year General Rodríguez's military rank had been raised from Sub-Secretary of War to Secretary of Commerce, Industry and Labor, and finally Secretary of War.

Already at that time, rumors circulated that Rodríguez was being groomed for the Presidency. In June 1932, three months before Rubio resigned, Sr. Alberto V. Aldrete, General Manager of the Cis. Mexicana del Agua Caliente, S.A. attended a gathering in honor of General Juan Andreu Almazán with ten high-ranking generals in the Mexican Army. He told U.S. Consular Smale that General Almazán had given a toast which ended by saying, " I would like you gentlemen to drink with me a toast to the next President of the Republic, Abelardo."¹⁴

With the completion of the first three years of the six-year presidential term to which murdered General Obregón had been elected, a change in the presidency of the Republic did not require that a Substitute President be followed in office by another Constitutional President popularly chosen in a special election. Late in 1930 legislators had fixed this matter by amending Constitutional Article 84. It was now possible under

¹⁴NAUS 812 00/29744, Smale, August 5, 1932, Reel 2.

the Constitution, for Congress simply to name an Interim President to complete the term.¹⁵

Calles forced Rubio's resignation on August 22, 1932 after a hospital administrator scandal. In an obvious conciliatory move, President Rubio sought to name as head of the Federal District, General José María Tapia. Instead, General Tapia and Lic F.J. Gaxiola were sent to notify Rubio of Calles' decision not to support him further. Calles did seek support from General Amaro on his decision and Amaro agreed.¹⁶ Now the door was open for Rodríguez to move from the cabinet to the presidency.

Likewise, Rodríguez remained in control in the Northern District. He influenced the replacement of Tejada with General Olachea as governor on November 7, 1931. With Olachea as head of the military and civil government and backed by Rodríguez, the agrarian problem promised to be resolved soon. Olachea governed until August 16, 1932 when Governor Arturo M. Elías came on board. The appointment of a person close to ex-President Calles as Governor was seen as a political move to line-up the Territory well in advance of the approaching Mexican presidential elections. The hope was that Governor Elías, who was familiar with border conditions, would be as sympathetic with the efforts to improve this vast

¹⁵John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 533.

¹⁶Ibid, p. 538.

and undeveloped region as has been his predecessor in office.¹⁷ However, General Olachea was reappointed Governor of the Northern District as soon as Rodríguez replaced Rubio in the Presidency a few weeks later.¹⁸

Rodríguez had run Baja California as governor for over six years. From January 1930 until September 1932, six changes took place in the governorship. Rodríguez influenced each change. He remained the Strong Man of the Northern District protecting his business interests as he moved on to the Presidency.

¹⁷NAUS 812.00 Lower California/91, Smale, November 10, 1931, Reel 13.

¹⁸NAUS 812.00/29792, No. 1851, R. Clark, September 9, 1932, Reel 2.

From the outset of his presidency, Rodriguizmo existed and would distinguish itself from the Maximato as Rodríguez's term in office progressed. The new interim President of Mexico brought strong administrative skills to Mexico City as witnessed by his impressive accomplishments as governor in Baja California and as a cabinet minister. Both the Mexican Press and U.S. Diplomats acknowledged these skills which added immediate prestige to his office. In addition, his favorable dealings with the U.S. as a northern politician carried over to his presidency. Most importantly, his border experience greatly influenced his national policies as he orchestrated the social and economic reconstruction of Mexico. The culmination, Rodriguizmo, was not supplanted by either the beliefs of the Maximato or Cardenismo.

Accolades as an Administrator

U.S. Diplomats and the Mexican Press recognized Rodríguez's administrative skills from the beginning. The PNR daily newspaper, *El Nacional*, as well as the *Excelsior*, *El Universal* and *La Prensa* unanimously praised the character and ability of the new President: "Rodríguez is an able leader, a

capable businessman and honest.”¹ *Excelsior*, Sept 5, 1932 reported:

“Ever since General Rodríguez distinguished himself notably in the Government of the Northern District of Lower California, we have thought that we had a citizen who was of good administrative timber; a man of action, of clear and calm judgment, a champion of law and order; a man who says little, but who gives real significance to what he does say, as if they were already accomplished facts, an enemy of vain promises and of delusions . . . He is, above all else, a man of action and of great enterprise looking to industrial and economic improvement. . . is seen in his first statements to the press after taking office as President of the Republic: I declare that I shall make every effort possible and necessary to comply with my duties, constituting a serious national Government, in which there will be unity of action and which will bring confidence and tranquility to the Republic, in order that all sections of the country may devote themselves to their labors, thereby attaining the economic reconstruction and development of the Nation.”

The Press gave prominence to his statements that he intended to devote himself to work and thus set an example for the Mexican people.²

In contrast to this positive press, Rodríguez attracted little public attention during his first months in office. In September 1932, Rodríguez remained in Mexico City and devoted himself to his administrative duties, maintaining a low profile with both the public and the diplomatic corps. He spent long hours at the National Palace working quietly and

¹NAUS 812.00/29793, No. 1845, R. Clark, September 5, 1932, Reel 2.

²NAUS 812.00/29792, No. 1851, R. Clark, September 9, 1932, Reel 2.

seriously, and very seldom made speeches or gave statements to the press.³ Instead, President Rodríguez focused on running his administration, implementing his social and economic policies, and generally setting Rodríguezmo into motion.

U.S. diplomats also felt confident of Rodríguez's leadership. As early as January 1933, the U.S. Military Attaché in Mexico observed: "General Rodríguez is doing a good job as President and is assuming more and more the responsibilities and decisions, which were formerly left to General Calles during the Ortiz Rubio administration.⁴ And U.S. Ambassador Reuben Clark reported that the peso had strengthened with Rodríguez, indicating the confidence in him in financial circles⁵ and that the policy of the United States was one of cordial friendship.⁶ William A. Smale, American Consul in Baja, consistently praised Rodríguez, stating that "The President has impressed me as being a person intensely courageous in his convictions."⁷ Such praise by U.S. diplomats indicate that U.S.-Mexican relations were favorable. They knew they could work successfully with Rodríguez just as American businessmen had done while he was governor of Baja

³NAUS 812.00/29792, No. 1851, R. Clark, September 9, 1932, Reel 2. Also NAUS 812.00/29799, No. 1959, R. Clark; General Political Report, October 20, 1932, Reel 2.

⁴NAUS 812.00/29828, Robert E. Cummings, Acting Military Attache, G-2 Report, January 1933, Reel 2.

⁵NAUS 812.00/29792, No. 1851, R. Clark, September 9, 1932, Reel 2.

⁶NAUS 812.00/29793, No. 1845, R. Clark, September 5, 1932, Reel 2.

⁷NAUS 812.00/29937, Smale, October 1933, Reel 2.

California. He had an established reputation as a capable administrator and for positive dealings with the United States.

Smale also reported that Rodríguez spoke with directness and candor, especially in a statement he made in Ensenada in the fall of 1931:

"I thought that during my trip abroad (to various European countries) I would find some country in a worse condition than ours. I was disappointed; we are lower than any one of them, and we will continue to be the lowest country on earth until there is elected as the President of our Republic a person chosen by the people, who will govern honestly and fearlessly and not with a view to enriching himself and about 200 of his closest friends." ⁸

Of course, Rodríguez was not chosen by the people, nor did he break with the Mexican patronage system of enriching himself and his collaborators while he was in power. Still, he was courageous in his convictions to run his administration independently of the Maximato.

U.S. Influence on Rodríguez

In addition to his administrative skills, Rodríguez brought both his procapitalist economics and his New Deal politics to Mexico City from his U.S. border experience. As a politician he envisioned social reform and an economic system

⁸NAUS 812.00 Lower California, Smale, August 1932, Reel 13.

like the United States. William A. Smale, American Consul in Baja, assessed Rodríguez: "From conversations which I have had with General Rodríguez, upheld by others who know him well, I have concluded that he almost passionately desires for Mexico a system of Government in practice as well as theory as nearly possible like that of the Federal Government of the United States."⁹

Rodríguez's minimum wage plan to boost consumption by the masses and generate more internal industrialization and agricultural production was similar to President Roosevelt's New Deal policies with its 'trickle up' philosophy. Likewise, Rodríguez solicited voluntary cooperation from his industrialists just as Roosevelt received from his U.S. industrial and agricultural enterprises.¹⁰ In return for their cooperation, President Rodríguez sought to assist capital by controlling labor through government arbitration. His mixed economic philosophy applied his procapitalism to a country without private capital by stimulating industry through both private and public funding. This philosophy also placed Rodríguez squarely in the middle between Calles and Cárdenas. Calles was strictly procapital supporting the "trickle down" theory while Cárdenas was a radical social reformer who strongly supported labor over capital.

⁹NAUS 812.00/29937, Smale, October 1933, Reel 2.

¹⁰NAUS 812.5041/57, William Cochran, American Vice Consul, August 29, 1933, No. 541, Reel 58.

Rodríguez also had his own brand of agricultural reform which combined small private ownership within communal land distribution. This was unlike both Calles' model which promoted large commercial land ownership, and Cárdenas who favored non-privatized communal land distribution.

President Rodríguez was influenced by his U.S. neighbor beyond economic policies. He believed in separation of Church and State. He felt that public education contributed strongly to the chosen system of politics and he supported a form of lay education which corresponded to a country ruled by a liberal and democratic political constitution like the United States. In direct contrast, Calles and Cárdenas both favored "socialist education," Calles as a means to control the Catholic Church and Cárdenas as a strong element of his social reform policy.

Finally, Rodriguizmo was interested in the development of American football and he provided financial support bringing two American college football teams to play the National University of Mexico. In addition, Rodríguez displayed a strong interest in the development of Mexican athletics in general. He issued an Executive Order in October 1932 creating a National Federation of Athletics and had a council made up of representatives of the Ministries of Education and War, the Federal District and the PNR.¹¹

¹¹INAUS 812.00/29799, No. 1959, R. Clark, General Political Report, October 20, 1932, Reel 2.

Chapter IV: Rodríguez vs. Calles: Who Ran the Government?

Abelardo Rodríguez initially agreed to be General Calles' interim President with the fundamental mission to keep the PNR unified, provide political stability and peacefully hand off the next presidency to the chosen PNR candidate. In exchange for loyalty to Calles until the next presidential election in 1934, Rodríguez was granted administrative control to proceed with the social and economic reconstruction of the country in the two years allotted to him. Because Rodríguez did not have his own political base, this necessitated his relationship or "partnership" with Calles. Their common accord was to leave the politics to Calles and the administration of the government to Rodríguez.¹ In reality, they were each involved in both realms.

At the beginning of the Rodríguez presidency, Calles was preoccupied with family and health concerns. His wife died in November 1932 and Calles, his own health not good, continued to reside almost continuously in Cuernavaca.² Calles felt he was leaving the Government in safe, capable hands with Rodríguez.³ As a result, Rodríguez had the opportunity to take the control of his administration into his own hands as

¹John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 573.

²NAUS 812.00/29826, No. 2293, General Political Report, February 16, 1933, Reel 2.

³NAUS 812.00/29805, Robert E. Cummings, Captain, Infantry, Acting Military Attache, Sept 17, 1932, Reel 2.

well as become more involved with political issues as his term in office proceeded. His first objective was to isolate both Calles and the military, the power brokers of the 1920s, from day to day control of his government. Gradually he disarmed Calles with successful countertactics and placed himself fully in the leadership role.

President Rodríguez's first problem was the reporting issue. Rodríguez had difficulty being fully respected because General Calles was generally referred to as the "Jefe Máximo de la Revolución" beginning with the Rubio administration. This title, which was not very helpful to the prestige of the presidency, was attributed to Luis L. León, the *El Nacional* manager. Activities seemed to confirm the title. The press reported important commissions first calling on the "Jefe Máximo" and perhaps then calling on the President. The Cabinet in May 1931, adopted a resolution prohibiting members of the Administration from consulting with Calles unless so ordered by the President. However, there was a lack of compliance with any such agreement during the Rubio administration.⁴

As soon as Rodríguez took office he sent around a circular to his cabinet members in an attempt to challenge the reporting issue. He wanted to develop a new image of the Presidency. In direct contrast to the system of 'acuerdos

⁴John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 521-22.

colectivos' which had been established by Ortiz Rubio, President Rodríguez made it clear that he did not consider his Cabinet to be a group of persons collectively responsible for the Administration. The Chief Executive, said Rodríguez, was the bearer of the executive power. In a circular of November 1932, he pointed out to his ministers, attorneys general and department heads that "the political Constitution of February 5, 1917, frankly establishes the presidential regime of the government" and he went on to show that the President is constitutionally authorized "to name and freely remove his ministers," and is "implicitly responsible for each and all of the acts which the different dependencies of the executive power develop." General Rodríguez told his subordinates that all important matters should first be submitted to his consideration, so that "it shall be the President who directs and orients the policy of the government in the different realms of public administration which constitutionally are incumbent on him." He concluded his circular with these words: "Please acknowledge receipt."⁵ This was his first challenge to the legitimacy of the Jefe Máximo and the Maximato.

⁵Ibid., p. 547

Problems With Pani

In spite of such directives, problems remained. There were ongoing problems of insubordination with Alberto Pani, the Minister of Finance due to both professional differences of opinion and Pani's consulting with Calles inspite of Rodríguez's orders. Initially, Rodríguez supported Pani. First he stepped into a dispute between the Comptroller Generalship Rafael Aguirre Manjarrez and Pani. In claiming duplication of work and abolishing the Comptroller Generalship, the functions of the Comptrollership were absorbed by the Public Hacienda.⁶ A bill was presented to Congress by President Rodríguez and Pani in October 1932 and became effective January 1 1933.⁷ Next, a conflict between Education Minister Narciso Bassols and Pani over the control of the construction of the Palacio de Bellas Artes became intolerable in August 1933. Rodríguez again ruled in favor of Pani.⁸

However, shortly thereafter, Rodríguez and Pani clashed over fundamental differences in opinion over economic policy. While Rodríguez was getting the Labor Law amended to include

⁶Ibid., p. 548.

⁷NAUS 812.51/1899, R. Clark, *El Universal*, December 17, 1932, Reel 70.

⁸John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 552. He ordered that the Palacio would be turned over to the Education Ministry only after the construction work was completed. Bassols threatened to resign but instead agreed to go on an official trip to the United States to purchase industrial school machinery, returning for the opening of Congress on September 1, 1933.

minimum wages on September 12, 1933, Pani in an informal visit to Calles discussed his belief that Rodríguez's pet project and personal campaign for minimum wages was not the solution for the masses. He felt that increasing the workers' purchasing power, as distinct from nominal salaries, was the answer.⁹ When President Rodríguez returned to Mexico City on September 27 from a meeting with Calles, he instructed his private secretary Lic. Gaxiola, without consulting Calles, to obtain the resignation of the Finance Minister at once. Calles had telephoned from Tehuacan stopping publication of news in the press with a view to reconciliation. President Rodríguez was reputed to have said that he would tolerate no interference in this matter and that he was "no Ortiz Rubio." ¹⁰

Calles claimed he had not known about the resignation request when Rodríguez left their meeting, and that the step had been a surprise to him. Calles agreed to accept the Finance Minister position until the President named a permanent Minister on January 1, 1934. Rodríguez, realizing the enormous break he had made with Calles, invited Calles to replace Pani in a conciliatory move. Nonetheless, Rodríguez had prevailed over Calles. The message was that if Calles wanted to run the Public Hacienda, he would need to do so as Minister. Not willing to serve as Rodríguez's cabinet minister, Calles agreed

⁹Ibid., p. 554.

¹⁰NAUS 812.00/29926, J. Daniels, September 29, 1933, Reel 2.

to be only a temporary replacement. Rodríguez was able to place a man of his own choosing in the position.

President Rodríguez had also been displeased with criticism by Pani's son who had stated that the President was not governing the country but that Calles was the real ruler.¹¹ Rodríguez explained the resignation resulted because it was not right for Pani to continue occupying a post of confidence close to the President when his son was criticizing the President's social manners and affirming that the Finance Minister did not recognize the authority of the President nor resolve with him the business of his office.¹²

Nonetheless, Foreign Affairs Minister Puig told U.S. Ambassador Josephus Daniels that the real reason why Pani was asked to resign was that his views on economic and fiscal policies were diametrically opposite to those of President Rodríguez.¹³ Finance Ministry professionals like Pani were educated in Europe. They were guided by the laws of economy, finance and exchange rates. The policies of the Mexican Presidents in the 1930s, whether conservative or radical, were based increasingly on non-political patterns of capitalist financing and budgeting.¹⁴

¹¹NAUS 812.00/29927, J. Daniels, September 29, 1933, Reel 2.

¹²John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 554.

¹³NAUS 812.00/29927, J. Daniels, September 29, 1933, Reel 2.

¹⁴Fredrich Schuler, Mexico between Hitler and Roosevelt: Mexican Foreign Policy in the Age of Lázaro Cárdenas (1934-40) (University of New Mexico Press, 1998).

Other Problems of Authority

Although the agreement between Calles and Rodríguez was to leave politics to Calles and the administration of the government to Rodríguez, a clear cut division of power was difficult if not impossible to adhere to as long as the strongman's collaborators continued to consult with him. A year after his initial circular, Rodríguez again asked his Cabinet to abstain from consulting Calles. On September 27, along with the Pani resignation, General Rodríguez sent a strong directive to his colleagues which had already been shown to Calles. Rodríguez observed that ministers of state and department heads frequently consulted Calles about matters related to the administration of the government's executive branch. The members of his government should abstain from calling on Calles. Rodríguez said he would not retain an appointee who felt the President was incapable of directing the public administration. If any colleague wanted to know the opinion of Calles about administrative questions, he could learn of it through the President.¹⁵

It was a continuous struggle. Following this directive, President Rodríguez had problems of disloyalty from his Secretary of Education, Lic. Narciso Bassols. In pursuing the PNR socialist educational reform, Bassols was attacked in the

¹⁵John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 555.

press for being a radical. These attacks became so strong that in December 1933 the President issued a statement which defended the Secretary and expressed his support for Bassols.¹⁶ On May 9, 1934 university agitation made it necessary to shift Bassols to another but higher ranking post, that of Minister of Gobernación. However, shortly thereafter, Bassols consulted with Calles and Cardenas without permission from Rodríguez and then at a Cabinet meeting with Rodríguez urged him to take more drastic measures against the Church. Rodríguez refused and Bassols resigned, forced out by Rodríguez for his disloyalty.¹⁷ Bassols had also acted against the interests of President Rodríguez when he proposed the closing of the recently inaugurated, Casino de la Selva en Cuernavaca and the Foreign Club in the capital.¹⁸

In a letter of Ex-President Rodríguez written late in March 1936, Rodríguez tried to justify Calles' role in administrative affairs:

"Calles pointed out to me that he intervened only in those matters where he was consulted, which was perfectly true. Never when I was at the head of the government did he make any hint that I could interpret as the slightest indication that such and such a thing be done. It was the politicians and one or another of

¹⁶NAUS 812.00/29826, No.2293, General Political Report, February 16, 1934, Reel 2.

¹⁷John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 560-61.

¹⁸Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934 Vol. 12. Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 178.

my collaborators who grovellingly requested his orders and are responsible for the present situation of the General. . . . To León, General Calles owes the title of "Máximo". . . . In my opinion it is León who has indisputably hurt the public character of Calles the most." ¹⁹

Rodríguez blamed Calles' collaborators for their disloyalty to him rather than Calles himself. Rodríguez admittedly consulted Calles frequently, and although Cabinet members were not suppose to call on Calles, he could call on them. In other words, no matter what demands Rodríguez placed on his Cabinet members, Calles remained a powerful authority behind the presidency. However, Rodríguez's important countertactic was to increasingly replace Calles' collaborators in his administration as they challenged his policies. Pani and Bassols became prominent victims of this effort.

The issue was exacerbated because foreign countries continued to see Calles as the all powerful unofficial leader of Mexico. U. S. Ambassador Josephus Daniels came to Mexico with the widespread idea that Calles was the "Iron Man" of Mexico. For example, in March 1934 Rodríguez was informed of a lunch to be given in honor of Josephus Daniels at the home of Calles in Cuernavaca. Foreign Minister Puig had already invited some foreign ambassadors and ministers and Ambassador Daniels was to present Calles with a letter from President

¹⁹John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 673.

Roosevelt congratulating him on the “peace and growing prosperity of Mexico.” After consulting with the President, Gaxiola told Foreign Minister Puig that Rodríguez refused to authorize him to issue the invitation because Calles “was simply a private citizen.” General Rodríguez then ordered Dr. Puig to withdraw the invitations and in the presence of Martes Gómez and Gaxiola, the President phoned Calles to let him know that if the party took place and if Roosevelt’s letter was publicly and officially delivered to Calles, he would fire Puig and any of his associates who attended the function. He also would publicly condemn the attitude of Calles and Puig, for he could not permit his authority to be broken. Calles agreed to cancel the lunch claiming illness and received Roosevelt’s letter privately. Calles responded that he was not in any concrete government post, but his contribution had been developed only along lines of general cooperation, “inspired by my past responsibilities, my convictions and political commitments, my respect and affection for President Rodríguez, and my sincere esteem for the exemplary government work which he is developing...”²⁰ In other words, Calles gave in completely to Rodríguez’s demands.

Some months later Ambassador Daniels, after an interview with General Calles, was quoted in *El Nacional* as calling him “the Strong Man of Mexico.” Again, President Rodríguez wrote to the Ambassador, explaining that

²⁰*Ibid.*, p. 559.

administrative matters were not in the hands of Calles and that "we are living under a well-organized political regime in which all democratic institutions function normally." After describing these two incidents Mr. Daniels added that Dr. Puig and General Calles "knew that the man in Chapultepec Castle was the President of Mexico."²¹

Controlling the Military

Another powerful faction that required Rodríguez's administrative control was the military. One of former President Rubio's greatest problems had been his failure to control the military generals within his cabinet which led to the Cabinet crisis and his eventual downfall. Rodríguez addressed this threat from the outset, almost completely divorcing the Cabinet from the military department. Only two of the ten members of the new Cabinet were from the military. One of them was Secretary of War Pablo Quiroga and the other, General Miguel M. Acosta, was in charge of communications.²²

Rodríguez also reorganized his personnel and military staff. Gaxiola announced that the Executive Offices would issue no letters of recommendation for persons desiring

²¹Ibid., p. 559.

²²NAUS 812.00/29789, No. 1833, R. Clark, September 7, 1932, Reel 2.

employment in the various departments of government, permitting each cabinet minister and chief to choose his own collaborators. Likewise, Rodríguez's office would handle only its own business. All other matters would be referred to the appropriate branches of the government. This was interpreted to mean that the President desired that his military staff would refrain from intervening in politics.²³ His Chief of Staff, General Juan Azcárate, told a member of the U.S. Embassy Staff that it was the President's desire that his military staff confine itself to military matters and the General had dismissed all civilian staff in the military and replaced them with officers and soldiers.²⁴

By January 1933, the U.S. Military Attaché to Mexico assessed the military situation under President Rodríguez as positive. Former threats to the country's political stability were under control. General Amaro had very little political influence, yet still had quite a following in the Army because of his excellent work as Secretary of War and now Director of Military Education. He remained ambitious but under control. General Cedillo, seemed to have lost a great deal of his following, had very little influence, and in army circles it was considered that he had very little ability as well.²⁵

²³NAUS 812.00/29792, No. 1851, R. Clark, September 9, 1932, Reel 2.

²⁴NAUS 812.00/29799, No. 1959, R. Clark, General Political Report, October 20, 1932, Reel 2.

²⁵NAUS 812.00/29828, Robert E. Cummings, Acting Military Attache, G-2 Report, Jan 1933, Reel 2.

Governors of more "radical States" like Veracruz realized that Rodríguez was determined that certain state military should not control things as they had in some instances under President Rubio. Rodríguez used forceful measures to disarm the agrarians in the State of Veracruz and divide the patrimonial ejidos with the assistance of army officers, in the face of opposition by the agrarians. This way the regional caudillo Alberto Tejeda could not use the armed agrarians during the coming presidential campaign.²⁶

Rodríguez continued to control the national military throughout his tenure. On November 16, 1933, he sent a bill to the Chamber of Deputies with the purpose of enforcing morale in the rank and file of the Mexican Army. Those who participated in a rebellion and who had been discharged could never enter that service again. Officers elected to public office could automatically return to their posts in the army at any time after the termination of their tenure in office. This new military legislation was considered of great importance in further disciplining and professionalizing the Mexican army.²⁷

²⁶ Ibid.

²⁷ NAUS 812.00/29951, No. 807, J. Daniels, November 17, 1933, Reel 3.

Chapter V: Politics Behind The Six Year Plan: From Maximato to Cardenismo

President Rodríguez was very much involved in the rise of Cardenismo to power even though he had promised Calles that he would leave traditional political concerns to him. From that vantage point, the Rodríguez administration embodied not the third puppet of the Maximato, but Rodriguizmo and its role in the peaceful transition of power from the Maximato to Cardenismo. The power struggle played itself out behind the scenes during the formulation of the Mexican Six Year Plan in 1933.

As the Presidential election came to the forefront, Rodríguez officially announced in April 1933 that his government would keep outside of politics and remain neutral, that he had resolved to administer the nation's business and leave the "political nuisance" in Calles' hands. However, in order to survive politically he had to remain deeply involved in all political maneuvering.

Portes Gil believed Calles would support Pérez Treviño or Carlos Riva Palacio for the presidency in 1934. Gil supported Cárdenas and since 1931 had been gathering support from various regional leaders--overall agrarians-- to build a Cárdenas movement so strong that it would be impossible for

Calles to get Treviño or Palacio elected.¹ Rodríguez supported Gil's plan. Cárdenas alone was holding a post in the Rodríguez Cabinet of the four generals who had resigned from Rubio's Cabinet. Rodríguez's favorable opinion of Cárdenas added important momentum to the push for a Cárdenas candidacy. President Rodríguez asked Calles whether it would be advisable for Cárdenas to resign his War Ministry post and dedicate himself to the campaign and Calles agreed.² The dissolution of the Maximato had begun and Rodríguez was on board.

The Mexican Six Year Plan

The policies established in the Six Year Plan of Mexico reflect this transitional period of power from Calles to Cárdenas. The Plan was credited to Calles, who wanted to control the Cárdenas presidency with it.³ However, Calles only introduced the idea. It was actually formulated by Rodríguez, Cárdenas and a number of less conservative elements within the Party. As a result, it represented a compromise between

¹Lorenzo Meyer, Historia De La Revolucion Mexicana 1928-1934 Vol. 12: Los Inicios De La Institucionalizacion La Politica Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 274.

²John W.F.Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 573.

³Tzvi Medin, El Maximato Presidencial: Historia Politica Del Maximato, 1928-1935, (Mexico City: Ediciones Era, 1972), p. 137.

opposing ideologies that worked within the Party, since the PNR, with its control of the public treasury and the army, was the only instrument that could carry it out.

From outside Mexico City Calles was interviewed in June and introduced the need for this plan publicly. "I am of the opinion that the time has come for the formation of a detailed plan of action to cover the six years of the next presidential term, a program which should be based on statistics, estimates, and experience." He felt that the Revolution's economic and social reconstructive proposals had failed due to a complete lack of coordination and to the failure of high placed persons to work for the undertaking.⁴

Following Calles announcement to the public about the formation of a plan, Rodríguez provided a written statement to the press on July 18 in which he named members of the Technical Commission who would collaborate with the Party's Commission on the Program: Alberto Pani, Secretary of Treasury; Primo Villa Michel, Secretary of National Economy; Miguel Acosta, Secretary of Commerce; Narciso Bassols, Secretary of Education; and Juan de Dios Bojórquez, Chief of the Department of Labor.

"The National Revolutionary Party has officially communicated to me on June 12 the formation of the Commission on the Program of Government for the

⁴John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 551.

Presidential term of 1934-40. The Secretaries of State and the Chiefs of Department are considered to belong as technical advisors, in order that they may contribute their share of experience to the formulation of the program.”⁵

In the same press release Rodríguez identified the four essential problems of the country:

1. Provide public education to the masses to reduce illiteracy.
2. The agrarian problem required not only redistribution of land, but in order to assure the organization of agriculturists, the adequate development of the soil, and the development of agricultural technique, government must create corresponding institutions of credit, and construction of irrigation works.
3. Labor reform needed to put into practice Article 123 of the Constitution, but also raise the standard of living and harmonize interests of labor and capital to the benefit of the national economy.
4. Internal communications were needed for transportation of goods to consumption centers and to be assured of a market, but also a network of communications was needed to increase solidarity and consolidate the Mexican nation.

As governor of Baja California, Rodríguez's primary focus had been on solutions to these four problems. He had greatly expanded access to public education in the Northern District. Rodríguez had initiated irrigation works and provided funding opportunities in developing agriculture. Minimum wage

⁵NAUS 812.00/29889, No. 385, *Excelsior*, July 19, 1933, Reel 2.

had been a major reform issue and the development of a network of communication and transportation had been central to economic growth and links between the rest of Mexico and California.

Rodríguez became very visible in the press at this point, stating his opinions about what the Six Year Plan should contain. His views were more moderate than the radical agrarian element within the PNR. Rodríguez referred to the radical elements and agraristas within the Party and his resistance to their utopian ideals:

“Since, in my opinion, the labors of that Commission should not depart from the realities of Mexican life nor express Utopian purposes which would convert the program into a expression of good intentions, I deem it expedient to make known my personal viewpoint with respect to the fundamental point that the program should include the economic and financial capacity of the Federal Government, in determining what revenues the Constitutional Government will have available during the coming term, taking into account the nature of taxes and the paying capacity of the constituents. Thus the Minister of Finance must be a direct consultant.”

In other words, reform could not take place outside of fiscal responsibility. As a U.S. influenced capitalist, Rodríguez's social reform was based in economic reality not post-revolutionary ideals.

Rodríguez's ideas for the Six Year Plan also differed from Calles' in a number of ways. First, Rodríguez promoted

his pet project, minimum wage, which Calles seemed interested in postponing. Calles had suggested an increase of the minimum wage but only after the profits were made thus not "to strangle at its birth an undertaking by demanding before an assured prosperity, unsustainable minimum salaries." ⁶ Rodríguez saw minimum wage not only as a way of obtaining labor support, but also as a means of stimulating industrial growth desired by Mexican capital. Second, Calles supported private capitalist agriculture in the form of large cooperatives and land sufficient to "stimulate men of ambition." He felt that small properties seldom lent themselves to modern agricultural techniques and large profit. Rodríguez also supported private land ownership but in the form of small property ownership within the protection of the communal ejido setting. At the same time, his agricultural model represented a compromise with the more radical agraristas like Cárdenas who emphasized communal tenure as the key institutional means to regenerate the agrarian economy. Third, Calles strongly sided with "socialistic" education as the vehicle to educate the masses, while Rodríguez just as strongly promoted scientific lay education like that found in the U.S.

Fourth, and most volatile to his relationship with Calles, was a central issue Rodríguez presented to the Mexican press which had not been mentioned earlier by Calles:

⁶NAUS 812.00/29878, *Excelsior*, June 15, 1933, Reel 2.

"Attention must be given, in my opinion, to the fomenting of industries relating to raw materials and to the utilization of the natural resources of the country. Especially mining is one of our sources of wealth which has not attained the development or the technical advance it should have, working also, toward the coordination of all the factors contributing to the production of Mexico, in order duly to organize the national economy."⁷

Even though President Rodríguez seldom spoke to the press, just a few days later, another article in the *Excelsior* quoted him regarding this topic of the extractive industries:

"I dwelt especially upon the necessity of seeking the development of the extractive industries and the utilization of the natural resources of the country . . . The State must foment by every means to develop the mining industry and the improvement of its technical methods. We must study the possibility of creating national mineral reserves to prevent the unrestricted exploitation by private individuals, to the immediate prejudice of the economic system of the country . . . I consider of vital importance the solution of the problems which I have set forth with respect to the mining industry of Mexico."⁸

In August, Rodríguez again stated to the press that the exploitation of extractive industries must be carried on by national enterprise and capital. The President then referred to the nationalization of electrical energy, stating that a plan for

⁷NAUS 812.00/29889, No. 385, *Excelsior*, July 19, 1933, Reel 2.

⁸NAUS 812.00/29895, No. 397, *Excelsior*, July 25, 1933, Reel 2.

the nationalization of all free resources of electrical energy was now before the Mexican Senate for approval.⁹

President Rodríguez sided on this issue with Cárdenas and the more nationalistic and radical elements within the revolutionary family who demanded the nationalization of the subsoil and the amplification of the national petroleum reserves to break the foreign company monopoly. In the wake of the World Depression, they wanted the Mexican State to be the agent to promote and control all the vital processes of the country, especially the economy and not to simply be the custodians of the order and integrity of the territory.¹⁰

Following Rodríguez's statements to the press, Calles returned to Mexico City on the morning of July 30, 1933 after a four month absence. Apparently Rodríguez's focus on the extractive industries had stirred the waters. Upon his return, Calles made a speech which was interpreted by the Mexico City press as making it plain that Mexico would cooperate with the United States in economic matters and spoke briefly of the economic plan of President Rodríguez.¹¹

⁹NAUS 812.00/29906, *Excelsior*, August 9, 1933, Reel 2.

¹⁰Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934 Vol. 12: Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 234.

¹¹NAUS 812.00/29897, No 426, August 1, 1933, Reel 2.

Conflict and Compromise

In October, American Consul Smale reported the possibility of a political disturbance brewing at the summer home of General Calles. The basis of the disturbance was attributed to Cárdenas and like minded officials of the PNR wanting to free themselves from what they termed a virtual dictatorship by Calles. This subject brought about a heated altercation between Generals Calles and Cárdenas during the visit of the latter to Calles summer home. In the case of any serious desertions from the ranks of high Calles adherents, Smale felt that Rodríguez might join in. Although Rodríguez had been a staunch friend and supporter of General Calles, he might not oppose efforts to bring about Calles retirement if opposition to such a movement should threaten his private business interests. He had continuously expressed a desire to retire from public life and devote himself to his industrial enterprises.¹² When he returned to Baja California he would need Cardenas's support to maintain his local hegemony and protect his national economic interests.

Shortly thereafter, on October 7, the *Excelsior* published an article indicating a visit had been made by President Rodríguez and his Cabinet to Calles at Tehuacan to confer with Calles regarding the Six Year Plan. An agreement was reached to create an "Intersecretarial Committee" and that General

¹²NAUS 812.00/29937, Smale, October 1933, Reel 2.

Miguel M. Acosta, Minister of Communications, was appointed presiding officer of this new committee. Its functions were to gather all data that has been compiled by the various ministries and have it incorporated in a general report which was to be submitted to the President for his approval.¹³ Apparently, Calles thought with the implementation of this Committee, he had reined in Rodríguez and Cárdenas and involved himself more directly in the formulation of the Six Year Plan.

The presentation of the Six Year Plan created a heated debate from December 3 to December 16 during which the "agrarians" introduced substantial modifications and projected a political program more in accord with the desires of Cárdenas and less acceptable in the eyes of the originator Calles.¹⁴ It was approved by the PNR at the Convention of Querétaro in December 1933, the same Convention which officially nominated Cárdenas as its Presidential candidate.

President Rodríguez used the Six Year Plan as the program of the last year of his administration, and he issued a circular telling his collaborators to be guided by it.¹⁵ Because it was a plan created by compromise of varying ideologies, some aspects were not procapitalistic enough for his tastes.

¹³NAUS 812.00/29938, J. Daniels, October 12, 1933, Reel 2.

¹⁴Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934 Vol. 12. Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 234.

¹⁵John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 598.

He supported agrarian reform but with private land ownership and within fiscal means, and he backed labor reform but tempered with capital interests. Rodríguez was strongly supportive of developing national interests in the extractive industries. He promoted access to public education but without the socialist connotation.

From the beginning of his presidency, President Rodríguez was able to move forward with social and economic reconstruction in Mexico which had stalled during Rubio's administration. Unlike his predecessor, caught up in political upheaval and a World Depression, he had a stronger national economy and greater control over his cabinet members. However, the momentum of his reform efforts increased rapidly with the implementation of the Six Year Plan in January 1934. Rodríguez laid the groundwork for Cárdenas' reforms, interjecting his own interpretation as he proceeded an entire year before Cárdenas took office. This increased level of federal involvement in economic and social reconstruction was due largely to Rodríguez's expanding personal power, distinct from both the Maximato and Cardenismo.

Chapter VI: Public Hacienda and the U.S. Foreign Debt

The success of President Rodríguez's administration depended largely on the success of the Ministry of Hacienda. Rodríguez and his finance ministers, first Alberto Pani and later Marte Gómez, established national finance, prosperity and confidence in Mexico after the Rubio political crisis and the continuing world economic depression. Since Mexico did not partake to any great extent in World War I and post-war eras of prosperity, it did not reach the same heights of inflation and therefore, did not have to pass through the depths of depression that the U.S. experienced.¹ However, the World Depression had forced the Rodríguez administration to create internal markets and credit to fill the void created by the loss of external markets. In addition, the stability the Rodríguez Administration brought to the country restored confidence in the government which translated into an improving economic situation. Change in political leadership from Rubio to Rodríguez produced a recovered national optimism. A new president in power lifted the psychological effects of the Depression.²

¹NAUS 812.00/29904, Ramsdell S. Lasher, March 28, 1933, Reel 3

²Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 345.

Pani Legacy

Finance Minister Alberto Pani must be credited with laying the financial groundwork for Rodríguez before he assumed office. While President Rubio was still in office, Pani implemented policy in 1932 which, along with improving world economic conditions, helped reverse the negative financial state of Mexico. The financial policies of the government prior to January 1932 and the World economic crisis had been adverse to Mexico. These policies included the renewal of the service of the external debt when Finance Minister Luis de Oca with 29.5 million pesos in the Treasury, signed the Montes de Oca-Lamont Agreement on July 31, 1930. A new monetary law called The Plan Calles, issued on June 25, 1931, was also the work of Montes de Oca. It demonetized gold and limited silver coinage in an attempt to maintain the peso at its legal parity and reestablish itself in the international exchange after July 23, 1931 when Mexico went off the gold standard. Policies also included the imposition of new and extraordinary taxes, and reduction in Federal salaries.³

Pani opposed these policies. From a diplomatic post in Paris, he wrote to President Rubio advising against the foreign debt agreement and later wrote to Calles against the

³NAUS 812.51/1943, No. 609, J. Daniels, September 19, 1933, Reel 70.

deflationary measures. Calles asked Rubio to replace Montes de Oca with Pani and he agreed.⁴ Pani arrived in Mexico in February 1932 and wrote the following impression of the economy as a result of these financial policies:

"The illness of the public treasury at the start of 1932, I repeat, was incomparably more serious and difficult to cure than that of 1923 . . . acute monetary deflation; international instability of our exchange and total disappearance of credit; progressive paralysis of industry and commerce; lowering of salaries and increase in the number of unemployed; and as a consequence of all this, a precipitous decline in the federal income and an increasing deficit in Hacienda."⁵

Pani went to work to reverse all of his predecessor's deflationary policies. He initiated the Monetary Law of March 9, 1932 which replaced The Plan Calles. Control of coinage was taken from the Bank of Mexico and placed in the hands of the Finance Ministry. The Law of April 12 amended the Law Constituting the Bank of Mexico, restricting its functions to that of a Central Institution. This amending act reduced the Bank's capital from 100 million to 50 million pesos and at the same time confirmed provisions established in the previous year to the effect that the Bank was no longer to carry on direct business with the public.⁶

⁴John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 506.

⁵Ibid., p. 515.

⁶Ibid., p. 515.

In addition, Pani established the Law of May 19th, which specified private institutions as the sole organ for the creation of money and for the control of money and credit. It constituted the commercial banking system that required branches of foreign banks or banking institutions to be incorporated into this system, and defined the regulations governing such branches. The General Law of Institutions of Credit of June 28 related the commercial banking system to the system for general control of credit in the Republic. Finally, the Law Regulating Securities and Credit Operations was decreed August 26, 1932.⁷

As a result of these laws, the Bank of Mexico, now a Central Bank, operated as the sole bank of issue similar to the U.S. Federal Reserve System. Restrictions were placed upon the operations of all foreign bank branches requiring their capital to be represented by Mexican money, credits payable in Mexico, Mexican real estate, and Mexican securities and all these plus their reserves and investments were to be held at all times in the Republic of Mexico. Insurance companies were restricted in the same manner to maintain certain investments in Mexican properties or securities.⁸

Reflecting back on Pani's accomplishments, Lic. Eduardo Suárez explained in a speech on July 15, 1935: "Mexico, in

⁷Ibid., p. 515

⁸NAUS 812.00/29904, Ramsdell S. Lasher, March 28, 1933, Reel 3.

seeking to solve its crisis, turned first, in July, 1931, to deflationary steps, but later, in March, 1932, it corrected this, reversing the policy, and this, put into action with decision, is the principal cause of the good condition of the nation.⁹

However, once Rodríguez took office, he orchestrated the country's economic policies and coordinated them with the Minister of the Hacienda. A year after control of coinage had been taken from the Bank of Mexico and placed in the hands of Finance Minister Pani, the Monetary Reserve Decree of March 22, 1933, returned the control to the Bank once it had been restructured. Under provisions of these decrees, a monetary reserve of approximately forty million pesos was established, the special authority for the coinage of silver pesos by the Minister of Finance was repealed, and the Bank of Mexico again became the coordinator of rediscount operations and protector of the value of the national currency.¹⁰ The monetary stock was increased by the issue of bank notes by the Bank of Mexico as a result of discount operations.¹¹ In addition to the consolidation of the Bank of Mexico, the constitution of a monetary reserve, the establishment of a standard of exchange, and the possibility to mint coins, indirect measures

⁹Javier F.Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 517.

¹⁰NAUS 812.51/1923, No. 29, J. Daniels, May 4, 1933, Reel 70.

¹¹NAUS 812.51/1943, No.609, J. Daniels, September 19, 1933, Reel 70.

were established to prohibit the exportation of capital and to reestablish confidence.¹²

Rodríguez also initiated more sophisticated methods on which to base national financial policies. Although the statutes of 1925 already required an office of economic research, the Bank of Mexico did not create one until after Rodríguez took office in October 1932. It was similar to those maintained by most large banks in foreign centers. The office studied economic factors and activities to aid the bank in coordination and development of commerce and industry, study of balance of payments, and cost of living index.¹³

Funding Mexico: Credit Institutions

One of the central goals of the Rodríguez government was to replace the external credit exhausted by the World Depression with the expansion of internal credit in the nation. Once the laws were in place to facilitate the use of credit, a new loan provided the capital. On November 11, 1932, shortly after Rodríguez took office, an agreement was signed between the Huasteca Company (\$3 million), the Aguila Company (\$3 million) and the Pierce Oil Company (\$1 million) to advance to

¹²Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 367.

¹³NAUS 812.51/1893, Thomas J. Maleady, American Vice Consul, September 30, 1932, Reel 69.

the Mexican Government the sum of seven million dollars, as a tax advance loan, to be repaid within forty months, from December 1932 until March 1936. The rate of interest was 4.787% annually.¹⁴ Seven million dollars was the disputed amount of Mexican funds held by the International Bankers Committee for purposes of paying the external debt. The oil companies, in an attempt to mitigate the tension between the Bankers and the Mexican government,¹⁵ were trying to bolster their own position during this period against renewed interest in nationalization of the petroleum industry in Mexico.

The purpose of the 7 million dollars was not to cover budgetary needs. First, it was to cover the deficit of 4.8 million pesos from the 1931 budget carried over to 1932 and half a million pesos for cyclone victims. Second, rather than reduce salaries of public officials and employees and increase taxes on commerce, industry and agriculture, it would meet current expenses of the Public Administration and pay all civil and military personnel which provided needed political stability. The rest would be used to expand availability of credit.¹⁶

¹⁴NAUS 812.51/1897, No. 4259, Robert E. Cummings, Acting Military Attache, November 15, 1932, Reel 69.

¹⁵Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934 Vol. 12: Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 234.

¹⁶NAUS 812.51/1898, No. 2085, *El Universal*, December 1932, Reel 69.

Among the proposed investments, first place was given to the renewal of activity among institutions of agricultural credit. Pani flawlessly voiced Rodríguez economic philosophy when he declared:

"In fact, in view of the fundamental importance which this population has in Mexico as a productive force and as a market for consumption, it is not possible to hope that there may be a normal development in industry, in commerce, and in the other economic activities for the country, if the position of the farmers is not bettered and their standard of living considerably raised. . . . Any Economic plan runs the risk of being a disaster if it forgets or ignores the essential point of seeing that agricultural production is encouraged, and of providing therefore the indispensable technical and financial means. Since the resources of the State will always be small in comparison with the magnitude of the problem, the sums can be usefully employed only if they are used in a rational manner, as the initial support for the normal development of the credit which agriculture needs." ¹⁷

Second after agriculture, was the organization of the National Urban Mortgage Bank (Banco Nacional Hipotecario Urbano) to eliminate the scarcity of long term credit with its resultant usury, and put back into circulation the enormous wealth tied up in mortgage investments. This permitted the financing of the reestablishment or organization of numerous

¹⁷Ibid.

industries, as well as the realization of urban programs such as the assurance of minimum sanitary conditions.¹⁸

Another financial institution established by the government was the National Financiera, S.A., which though not properly appreciated at the time, turned out to be the greatest lever for the industrial development of the country. Its function was the purchase and sale of securities.¹⁹ The National Financiera, S.A. operated in a buy-sell of stocks and bonds, exploring virgin territory in Mexico.²⁰

Third, the completion of the national credit system was the establishment of a Popular Bank (People's Bank) as the guide and technical agent for the organization and financing of cooperatives and small industries.²¹ The Minister of Finance created a fund of two million pesos for the organization and development of a Popular Credit. This allowed transactions of business with members up to 2000 pesos without property as security, up to 8000 pesos with property as security, up to 5000 pesos with urban mortgages, and up to 3000 pesos under avio contracts. Membership was to include workmen, small industries or merchants, professional men and employees.²²

¹⁸Ibid.

¹⁹John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 592.

²⁰Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 397.

²¹NAUS 812.51/1898, No. 2085, *El Universal*, December 1932, Reel 69.

²²NAUS 812.51/1938, No. 564, J. Daniels, September 8, 1933, Reel 70.

Among others, it was used in the case of the Electrical Cooperatives.

The expansion of credit institutions was as follows:²³

	<u>1931</u>	<u>1932</u>	<u>1933</u>	<u>1934</u>
Institutions of Credits	65	53	68	77
Auxillary Institutions		10	21	29
Totals	65	63	89	106

Funding Mexico: Internal Loans

Under Rodríguez, the service of the internal debt took precedence over the external debt as another means of strengthening internal credit. In order to place their financial house in order, the Rodríguez Administration devoted over 100 million pesos to amortizing domestic obligations. On December 31, 1932 a decree authorized the issuance of bonds in the amount of 60 million pesos to be paid over 40 years for the redemption of the Internal Debt.²⁴ Known as "Bonds of the Internal Public Debt of the United Mexican States," they were non-interest bearing but redeemable at the rate of 2 1/2% per annum over a period of forty years. The bonds were dated January 1, 1933. The first coupon was due December 31, 1933,

²³Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 399.

²⁴NAUS 812.51/1906, No. 2220, R. Clark, January 28, 1933, Reel 70.

and holders of Mexican Internal bonds or bonds of the external debt in the 1922 and 1925 Agreements were to be given the option to exchange their securities into this new loan. Special features included making these bonds acceptable at par value in payment of Government properties offered for sale at auction. They offered a way of consolidating most of the various credits held against the government in a way to permit amortization over a period of years without unduly taxing the National Treasury.²⁵

Provisions were also made for the two years overdue interest announced on December 30, 1932 on the Public Agrarian Debt. This action left pending only the coupons due December 31, 1932 which were being bid for in Mexico City at 90% of their face value. The expectation of early cash payment would bring these internal bonds up to date as to both interest payments and sinking fund since about 44% of these 20-year bonds had been retired during the past five years.²⁶

The extraordinary Income Tax Law of July 31, 1931, which was only in effect that one year, placed a tax of one to two percent on the gross receipts of commerce, industry and agriculture. The taxes had been resented and a large portion were never paid. In order to gain some monetary returns, a circular was issued by the Mexican Ministry of the Treasury on April 17, 1934 authorizing tax offices to accept in payment

²⁵NAUS 812.00/29904, Ramsdell S. Lasher, March 28, 1933, Reel 3.

²⁶*Ibid.*

bonds of the Agrarian Public Debt and bonds of the Internal Public Debt up to 70% of the taxes due.²⁷

One of the most impressive examples of success with internal funding without relying on U.S. capital was the construction of the Mexico City–Nuevo Laredo highway, a must for developing internal markets and increasing the economic boom from the expanding tourist trade. A previous contract to complete the highway had been cancelled because an American contractor was dissatisfied with the method of payment. It was hoped, through the award of contracts to engineers, foremen and masons who were formerly employed by this U.S. contractor, to accomplish with the same amount of money what would have been accomplished had the contract not been cancelled. The goal was to finish this road first, then the road from Veracruz–Mexico City–Guadalajara to Puerto Vallarta, and then the Matamoros–Mazatlan highways.²⁸

The government arranged to borrow 20 million pesos to be used in 1934 and 1935 to complete the work on the Laredo–Mexican City highway. This road building loan was guaranteed by the Banco Nacional Hipotecario Urbano y de Publicas, established in 1933, largely by government capital, to promote

²⁷NAUS 812.51/1998, No. 1376, R. Henry Norweb, Charge d'affaires ad interim, May 2, 1934, Reel 70.

²⁸NAUS 812.51/1893, Thomas J. Maleady, American Vice Consul, September 30, 1932, Reel 69.

the building of pavements, market places, sewages, and water lines in small towns.²⁹

The new contract called for 12 million pesos in 1934 and 4 million in 1935. The remaining 4 million would be spent in 1935 on other trunk highways. The loan was placed with eight local banking organizations and American Vice-Consul William P. Cochran, Jr. noted "that none of the local branches of American banking institutions appears on the list." The bonds were amortizable in five years, and were guaranteed by the income of the Federal Government from gasoline tax.³⁰

Another 25 million peso bond was issued by the Federal district for water distribution, drainage works and replacing of streets in August 1933.³¹ The Mexican government proved to itself that it could successfully provide internal funding for national projects without depending on U.S. capital. When the U.S. denied funding, it no longer meant that Mexico could not go forward with its economic development. Likewise, U.S. businessmen were dismayed that Mexico could proceed with internal development independently of them.

²⁹John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 592.

³⁰NAUS 812.51/1979, William P. Cochran, American Vice Consul, January 29, 1934, Reel 70.

³¹NAUS 812.51/1935, William P. Cochran, American Vice Consul, August 31, 1933, Reel 70.

Favorable Trade, Favorable Budget

Mexico continued to report a favorable trade balance as indicated by the following figures: (in million pesos)³²

	<u>1932</u>	<u>1931</u>	<u>1930</u>
Exports	304	400	459
Imports	180	217	350
Balance	124	183	109

The next two years were even better with the jump in value of Mexican exports in 1934 to 645 million pesos over a figure of 365 in 1933.³³

From the standpoint of trade with the U.S., figures on exports and imports indicated that Mexico stood second in importance among Latin American nations. In 1932, only Brazil, Columbia and Cuba shipped more goods than Mexico to the U.S. and Mexico was the best U.S. customer among the nations to the South.³⁴

The budget for 1934, in accordance with the suggestions of President Rodríguez as stipulated in the Six Year Plan, stated that allotments to Education, Communications and Agriculture would be increased if receipts permitted, and the

³²NAUS 812.00/29904, Ramsdell S. Lasher, March 28, 1933, Reel 3.

³³John W.F. Dulles, *Yesterday in Mexico: A Chronicle of the Revolution 1919-1936* (Austin: University of Texas Press, 1961), p.591.

³⁴NAUS 812.00/29904, Ramsdell S. Lasher, March 28, 1933, Reel 3

Ministries of Gobernacion, War and Marine, Foreign Affairs, National Economy and the Treasury would not be increased. It also increased allotments to carry out obligations to the public debt.³⁵

The summary of the Budget for 1933 and 1934 allocation to departments in a statement by Undersecretary of Finance, Ing. Marte R. Gómez was as follows:

	<u>1933</u>	<u>1934</u>
Legislative Power	5,303,021.47	4,957,684.66
Executive	1,644,905.20	1,999,615.32
Judicial	2,881,303.56	3,000,000.00
Interior	2,442,576.60	2,818,148.69
Relations	4,344,294.23	4,523,999.42
Finance	37,461,919.96	27,657,894.19
War	55,344,902.22	55,118,189.05
Agriculture	15,474,596.27	14,694,512.04
Communications	31,167,699.30	30,420,954.32
Economy	5,778,750.16	5,773,954.88
Education	31,628,789.34	31,235,183.28
Public Health	6,540,834.48	7,523,945.81
Manufacturing Plants	6,155,230.34	6,000,000.00
Labor	963,440.72	1,220,863.20
Attorney General's Office	1,170,998.24	1,170,998.24
Agrarian Department		4,276,160.64
Public Debt	<u>25,468,709.61</u>	<u>40,669,189.72</u>
Total Expenditures	233,771,970.70	243,061,293.46
Total Revenues	239,473,921.00	242,750,000.00

From statements that appeared in the local press and based on information obtained from the Minister of the

³⁵NAUS 812.51/1964, No. 814, J. Daniels, November 1933, Reel 70.

Hacienda, it indicated that all outstanding government obligations for the period 1926-1932, with one or two exceptions, and which had remained unliquidated in the Federal Treasury, were paid or prescribed during the calendar year 1933. Also, practically all of the 1933 obligations had been met on time or would be liquidated early in 1933.³⁶

Foreign Debt

Because the service of the internal debt took precedence over the service of the external debt, President Rodríguez made no provisions to meet payments due from obligations of the external debt.³⁷ He stated in his message to Congress on September 1, 1934 that public opinion in Mexico was opposed to the idea of paying obligations in excess of Mexico's capacity to pay, adding that:

"whatever movement of funds in large amount from Mexico, which would of necessity take place, would greatly affect the carrying out of Mexico's economic program for road building, agricultural and industrial development and other projects undertaken by the Executive, but also because it would upset the equilibrium of Mexico's trade balances, since they

³⁶NAUS 812.51/1971, No. 966, J. Daniels, January 3, 1934, Reel 70.

³⁷NAUS 812.51/1943, No. 609, J. Daniels, September 19, 1933, Reel 70.

would be amounts definitely taken from the domestic market."³⁸ 76

Throughout the existence of Mexico as a nation, defaults on the foreign debt had occurred from October 1827 to 1931, only to be followed in each case by negotiations for the resumption of debt service. Owing to the intervals until interest payments were resumed, the major part of Mexico's debt consisted of accumulated interest. It was estimated that as much as 20% of Mexico's revenues were needed to cover both internal and international obligations. Therefore, certain Americans believed the bonded debt of Mexico could be serviced without placing an undue burden on the finances of the country at peace.³⁹ The Mexicans did not agree.

On May 21, 1934, the Mexican government officially broke off relations with the International Bankers Committee. Not only did Mexico reject the idea of seeking to pay beyond her capacity by means of one refunding operation after another in a series of "capitalizations" which were believed to hide reality temporarily, but Mexico maintained that the International Banker's Committee acted illegally and was unfriendly to Mexico. Mexico referred to the Committee's "illegal and unjust" retention of about 7 million dollars which Mexico had paid under the Pani-Lamont Amendment of 1925 but which the Committee had not distributed to the bondholders. Thomas

³⁸NAUS 812.51/2020, No. 1807, J. Daniels, September 25, 1934, Reel 70.

³⁹Ibid.

Lamont tried to negotiate a compromise with the Mexicans, but President Rodríguez made it clear that nothing should be done that might be interpreted as a renewal of relations with the Banker's Committee and that nothing less than the entire 7 million dollars should be accepted.⁴⁰

Rodríguez made the break with the Banker's Committee at a moment when the international bankers were practically excommunicated by the U.S. Government which clearly expressed the opinion that the force of the American Government was not at the disposal of the Bankers for the collection of their debts.⁴¹ Therefore, Rodríguez knew he was not jeopardizing his relationship with the U.S. government. At the same time, this was a drastically independent step, unlike any policy Calles had followed with the U.S. This was another reflection of Rodríguez's change in loyalty from Calles to Cárdenas.

The showdown began in September 1932, when the Banker's Committee brought suit before the Supreme Court of the State of New York to determine the method of distribution they believed should be authorized by the Court.⁴² The Mexican Government maintained the funds belonged to the Mexican Government and declined to appear in the case

⁴⁰John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 593.

⁴¹NAUS 812.51/2014, *Exsésior*, September 8, 1934, Reel 70.

⁴²NAUS 812.51/1889, To Henry Stimson from Banker's Committee, September 14, 1932, Reel 69.

claiming its rights to immunity. Henry Stimson requested that a U.S. attorney be appointed to represent the Mexican Government without argument or comment before the Supreme Court of New York on January 9, 1933.⁴³ The decision of the New York Supreme Court on January 30, 1933 declined the action filed by Thomas W. Lamont regarding the disposition and accounting of funds received from the Mexican Government. An *El Universal* editorial reported legal victory for Mexico and the Committee of Bankers was excoriated for committing acts "very similar to simple and plain spoliation."⁴⁴

President Rodríguez wished in no way to become involved in any compromises that might hamper the new administration which was about to take office. Foreign Minister Puig informed Josephus Daniels that Rodríguez had told him that he would not take this matter up during his term of office; that the Minister of Finance had recommended a bill be introduced to Congress with reference to the foreign debt; but that it was Rodríguez's intention to leave this matter to the incoming administration.⁴⁵

The U.S. government took the initiative in October 1933 to call together in Washington a group of public-spirited citizens to consider the formation of the Foreign Bondholders

⁴³NAUS 812.51/1900, To Attorney General from Henry Stimson, January 3, 1933, Reel 70.

⁴⁴NAUS 812.51/1907, No. 2282, R. Clark, February 11, 1933, Reel

⁴⁵NAUS 812.51/2022, No. 1829, J. Daniels, October 6, 1934, Reel 71.

Protective Council with offices in New York to assist individual bondholders. The organizing committee of the Council had met as early as December 18, 1932.⁴⁶ The holders of Mexico's foreign bonds came to be represented by this new organization.

With such a favorable climate, at the same time, the Fourth Congress of the Railway Workers of Mexico sent a communication to the President, General Calles, and the Executive of the National Railways requesting a moratorium on the debt owed by the National Railways to the New York bankers in order that the funds could be used for the development of the railway industry.⁴⁷

Claims Commission

President Rodríguez made significant progress in the work of the United States-Mexican Claims Commissions, set up as a result of the Bucareli Conferences of 1923, during his term in office. Progress had been very slow and costly and both President Rodríguez and Foreign Minister Puig were concerned about the matter. Both President Rodríguez and Ambassador Daniels liked the idea of a lump-sum settlement to take care of the United States claims. Two agreements of

⁴⁶NAUS 812.51/2027, William Phillips, Acting Secretary, November 6, 1934, Reel 71.

⁴⁷NAUS 812.51/1905. See 812.504/1371, No. 2207, R. Clark, January 25, 1933, Reel 54.

April 24, 1934 were signed. One of these revised the procedure of the United States-Mexican General Claims Commission in order to simplify and speed up the work. Each government was to choose one commissioner, and each commissioner was to appraise claims individually. Then the commissioners were to get together and try to settle the differences. There was then to be a joint report to the two governments.⁴⁵

The other agreement of April 24, 1934, took care of the United States special claims for damages resulting from the Revolution. The amount was to bear the same proportion to total claims as the European awards. But in making this computation, deductions from the total US claims were made—deductions in the amounts corresponding to duplications which inflated the claims figures and claims that had already been decided. It was agreed that Mexico would pay half a million dollars yearly starting on January 1, 1935. The total to be paid was calculated to be seven million dollars, or 2.65 percent of the special claims less the above mentioned deductions. In this way, more than ten years after the ratification of treaties worked out at the Bucareli Conferences, new agreements finally settled the complicated matter of U.S. claims arising out of damages caused by the

⁴⁵John W.F. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 597.

Mexican Revolution.⁴⁹ Calles was completely absent from these important negotiations. As with the Banker's Committee dealings, Rodríguez acted independently of Calles in resolving another critical issue with the United States.

Economic Evaluation of Rodríguez's Presidency

The PNR had charged President Rodríguez with creating political and financial stability in order to establish the Revolutionary party on a permanent foundation, and his administration was credited with successfully handling the nation's affairs. Conservative government spending resulted in balancing the budget for 1933 with even a small surplus, and after earmarking 25.5 million pesos for interest payment on the public debt. The Rodríguez administration financed credit and amortized more than 100 million pesos of the Internal Public Debt. It created a monetary reserve of \$116,177,000.00 pesos. The consolidation of the Bank of Mexico assured the flexibility of the monetary system within the credit organization, the existence of a banking system in a liquid state permitted the ability to pay its obligations, and Mexico established an exchange rate within the international market. Most importantly, Rodríguez left Mexico with a healthy economy, by eliminating the problems of deflation without

⁴⁹*Ibid.*, p. 597

falling into vicious inflation. He left the Treasury with \$1,413,861.00 pesos and the public treasury with a confidential fund of \$8,625,853.34 pesos that was reserved to be delivered to the Treasury and which the public domain did not know about, as an act of solidarity with the next administration.⁵⁰

Rodríguez supported Pani and his policies until September 1933, when his shift in allegiance from Calles to Cárdenas, ended the relationship. Calles had been invisible in financial policy decisions, leaving policy making in the professional hands of Pani. By eliminating Pani from the process, Rodríguez shut out Calles from the financial sector. It came at a time when Calles was less influential on Rodríguez and could not save Pani's job for him. President Rodríguez and his new Finance Minister, Marte Gómez, who had served under Gil and was more pro-Cárdenas, did not change their financial goals for the country. They continued to focus on internal economic growth stimulated by expanded availability of credit over concern about the external debt. In other words, Rodríguez's policies remained in force from one Finance Minister to the next.

As President, Rodríguez indirectly continued to improve the internal economy and credit position of Mexico as a nation with peaceful elections, educational programs to further

⁵⁰Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 400-401.

reduce illiteracy (which was at about 47% down from 85%). He created greater demands by the masses, continued agricultural and industrial development, and gradual exploitation of the natural resources. In addition, World powers had taken favorable action regarding silver, a reciprocal tariff agreement with the U.S. had been negotiated and a sufficient completion of the international highway permitted tourist trade from the U.S. and Canada to boost the economy. Increased infrastructure through road building had already aided Mexican nationalism.⁵¹ In addition, by finally settling the U.S. claims issues with Mexico, Rodríguez contributed to stronger relations with the U.S.

⁵¹NAUS 812.00/29904, Ramsdell S. Lasher, March 28, 1933, Reel 3.

Chapter VII: Agrarian Reform

Shortly after assuming office, President Rodríguez stated in a press interview on September 30 that he considered the problem of the peasant to be the fundamental one of Mexico and he discussed his plan for the division of communal ejidos into individual parcels for families.¹ From this point on he acted quickly to open up the floodgates of agrarian reform. Rodríguez believed large property ownership created poverty and ignorance among the rural masses while individual private land ownership within the security of the ejido, if exploited by rational, modern methods would benefit the entire economy. Therefore, he saw agrarian reform as one of the key elements of his plan for economic stability.

One of the most important aspects of Rodríguez's agrarian reform was his belief in creating individual land ownership in the ejido, rather than communal possession. His reform revolved around respect for the individual property owner's rights and the rights of the creditors. By providing local credit and modern technology to individual ownership, Rodríguez believed it would assure that productivity would benefit owners directly and the country as a whole.² This form of redistribution was a mixture between Calles' plan which

¹INAUS 812.00/29799, No. 1959, R. Clark, General Political Report, October 20, 1932, Reel 2.

²Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 462-464.

emphasized private capitalist agriculture and Cárdenas' commitment to the communal ejido system as a means of economic recovery for Mexico.

Beginning Legislation

President Rodríguez's first task was to expropriate lands from large property owners. He began by implementing legislation which increased parcelation of large properties. By 1932, local Agrarian Commissions in seven states had ceased to receive new petitions for ejidos and they interpreted this as having settled the agrarian problem. However, the regulatory law of the Division of Ejidal Lands and the Constitution of the Parcelary Ejidal Patrimony of December 19, 1925 had been amended in August 25, 1927. The 1927 amendment allowed the National Agrarian Commission with the President to fix the minimum area of the parcel, which could not be reduced even if the number of parcels did not correspond to the total number of agriculturists entitled to receive lands. This new law of ejidal patrimony meant that the National Agrarian Commission could decide that the size of the ejido was below the minimum requirement and could expropriate additional lands from adjoining privately owned property. This new reform of the law could legally reopen the whole agrarian question and grant new or additional ejidos in

these seven states.³ Rodríguez employed this law in his initial steps toward reform.

In addition to the law of patrimony, the most important changes of another law, the Law of Dotations and Restitutions of Lands and Waters of March 21, 1929, stated that preference of granting of dotations would be given to lands under cultivation by means of investments of capital or labor. Where such land was not available, other lands would be given, but never a large amount of poor quality land as compensation for lack of arable lands. Second, the provision stated that if there was a shortage of parcels in the ejido, the campesino could add parcels when available. This provision amended Article 130 and 131 which had stated that a petition to amplify could not be made until ten years after the granting of the original dotation and then only to persons not receiving an original dotation.⁴

Political Maneuvers and Agrarian Reform

President Rodríguez first invoked the Law of Ejidal Patrimony for political reasons, not agrarian reform, when he sent a number of army engineers to the State of Veracruz in order to carry out the parcelation of ejidos which had already

³NAUS 812.52/1785, No. 2171, R. Clark, January 17, 1933, Reel 82

⁴Ibid.

been granted. He was not trying to increase ejido lands but seize control of existing ejidos from his political enemy Alberto Tejeda, ex-governor of the State. Tejeda, who had expropriated private companies and land, was a military, political, electoral and ideological threat to the PNR. According to the press, the President wanted to bring about increased production in the ejidos since if the campesino did not cultivate the ejido parcel given to him, then the parcel would be taken away from him. However, the League of Agricultural Communities in Veracruz, incited by Tejeda, provoked the campesinos to refuse to allow the army engineers to parcel out these ejidos.⁵ Therefore, Rodríguez's effort to divide the parcels to individual families as a means of economic production was largely a political move in opposition to Tejeda's collective vision of using the communal ejidos as both a social and military base.⁶

The Federal Government wanted to disarm the agrarian forces in the State numbering up to 30,000 in order to prevent Tejeda from making use of them as a military force during the coming presidential campaign.⁷ In response to Tejeda's opposition, Rodríguez ordered General Acosta and 6,000 federal soldiers to accompany the engineers and disarm the

⁵NAUS 812.52/1771, No. 2052, R. Clark, December 1, 1932, Reel 82.

⁶Tzvi Medin, El Minimato Presidencial: Historia Política Del Maximato, 1928-1935, (Mexico City: Ediciones Era, 1972), p. 129.

⁷NAUS 812.00/29828, Robert E. Cummings, Acting Military Attache, G-2 Report, January 1933, Reel 2.

agrarians.⁸ On January 10, 1933 about 10,000 of the organized *guerrillas* were peacefully disarmed when they were called for review in the various places where they were organized, their arms stacked in the presence of federal troops, and the arms taken into possession. However, a large number of unorganized agrarians remained armed.⁹

Politics were always a motivating factor in promoting agrarian reform and were not limited to controlling the local *caudillo* in Veracruz. Senator Elpidio Rodríguez, formerly Official Mayor of the National Agrarian Commission, told Stanley Hawks of the U.S. Embassy that Congress passed the laws of patrimony reforms for political reasons. The goal was not to actually follow through on expanding the *ejidos* but to appease political adversaries in the 1934 presidential election. The minimum area of a parcel was yet to be decided by the National Agrarian Commission. Because it had to be approved by the President, it possibly could result in no increases or additions of any kind.¹⁰

However, President Rodríguez's motives were more than political. He aggressively sought land reform as a means to economic recovery and in doing so made a clear break with the Maximato. Many of the officials in his government changed as agrarian reform accelerated. He chose new officials more

⁸Ibid.

⁹Ibid.

¹⁰Ibid.

aligned with the Gil-Cárdenas' agraristas who supported increased land confiscations, as he moved away from the conservative element which included the now reactionary Calles. Licendiado Alfonso Romania Ferreira, Oficial Mayor of the Ministry of Agriculture resigned his position effective January 15, 1933. His resignation had been forced by certain members of Congress due to his opposition to the reforms which he declared had been put through Congress by radical elements. These radical elements included two Federal Deputies, Ingeniero Luis L. León, Editor of *El Nacional* and former Minister of Agriculture, and Ingeniero Marte R. Gómez, former Minister of Agriculture during the presidency of Portes Gil when the National Agrarian Commission had been more active than at any other time in granting of ejidos to rural communities.¹¹

Reform Legislation Stepped Up

President Rodríguez and his new collaborators accelerated legislation of land reform. On January 9, 1933, *El Nacional* reported that the Supreme Court had handed down a decision that amended Article 10 of the Agrarian Law of January 6, 1915. The reforms of this law made binding that proprietors affected by resolutions of dotations or

¹¹NAUS 812.52/1785, No.2171, R. Clark, January 17, 1933, Reel 82.

restitutions of ejidos or waters would hold no right for either ordinary legal recourse or for the extraordinary legal recourse of amparo against such resolutions. Therefore, owners had no legal recourse beyond making objections to the National Agrarian Commission. Since such a decree could not be put aside by a decision of the Court, neither the owners nor the campesinos could have any doubt as to its validity.¹²

On March 31, 1933 President Rodríguez signed an executive order revoking the Presidential Order of August 31, 1932 granting the National Agrarian Commission authority in matters connected to the establishment of agricultural settlements.¹³ Then on July 26, 1933, a Presidential decree was published in the *Diario Oficial* in which he revoked all decrees previously issued by President Ortiz Rubio which had granted to the population of various states certain periods of time in which to present petitions for the restitution or dotation of ejidos and at the end of such periods, the Agrarian Commissions could be dissolved. The states were to revert back to the law of January 6, 1915. The Federal Government had been receiving requests from communities in the states that the Agrarian Commissions resume their functioning and accept new petitions for restitutions and dotations of lands and waters. Again, to minimize concern by the landowners, Undersecretary of Agriculture, Parras said this did not mean

¹²NAUS 812.52/1784, No. 2194, R. Clark, January 20, 1933, Reel 82.

¹³NAUS 812.52/1797, No.6, J. Daniels, April 20, 1933, Reel 82.

the Federal Government had embarked on a policy of increased activity with regard to dotations but simply that it did not feel it had the legal right to deny agrarians communities the right to petition.¹⁴

An editorial in the *El Universal* of July 28, 1933, pointed out that from 1915 to 1932, 13,019 applications for ejidos had been presented to the National Agrarian Commission, but that only 5,334 were definitely settled up to 1932, leaving 7,685 cases unsettled. The editorial further added that in 18 years, the agrarian question had cost the Federal Government 40,079,605 pesos.¹⁵ After laying this groundwork, *El Nacional* published an article on July 29, 1933, reporting an interview with Minister of Agriculture, Francisco S. Elías. He stated that the entire National Agrarian Commission had been completely reorganized to expedite business by the Commission so that it would be possible to decide upon more than a thousand cases per year. Bartolome Vargas Lugo, was appointed Official Mayor of the Commission. As Governor of Hidalgo, Lugo had the reputation of being proactive in granting a great many dotations of ejidos.¹⁶

President Rodríguez continued to step up his program of aggressive parcelation of land. On October 11, 1933, he issued instructions to the National Agrarian Commission to direct the

¹⁴NAUS 812.52/1809, No. 419, J. Daniels, July 29, 1933, Reel 82.

¹⁵NAUS 812.52/1813, No. 439, J. Daniels, August 4, 1933, Reel 82.

¹⁶NAUS 812.52/1810, No. 424, J. Daniels, August 1, 1933, Reel 82.

local agrarian commissions to expedite all cases pending before them. Undersecretary of Finance, Marte R. Gómez issued orders placing at the disposal of the Ministry of Agriculture, properties now held by the Federal Government be used to satisfy the agrarian needs of the villages adjoining these properties.¹⁷ In accordance with orders issued by the Minister of Agriculture, from October 20 to November 10, 1933, 54,091 hectares of land were distributed to 4,218 ejidatarios. This distribution of land was effected under 45 presidential resolutions and 17,000 persons benefited.¹⁸

The Grand Agrarian Commission

Meanwhile, the Chamber of Deputies named members to a Grand Agrarian Commission in August 1933 to study the reform of the agrarian laws as they should apply to the creation of a new Agrarian Department and incorporate this proposal into the Six Year Plan. Members of the Commission included Deputy Gilberto Fabila, Deputy Angel Posada, Marte Gómez, and Gaxiola, with the latter two members representing the Rodríguez viewpoint. Two distinct ideologies were represented. Deputy Fabila wanted collectives and socialized credit and transport. President Rodríguez based his capitalist

¹⁷NAUS 812.52/1842, No.704, J, Daniels, October 18, 1933, Reel 82.

¹⁸NAUS 812.52/1836, No. 818, J. Daniels, November 23, 1933, Reel

reform on the country's economy and budget limitations. The outcome was a compromise between the two ideologies¹⁹ and this compromise was represented in the Six Year Plan. The radicals won the creation of an autonomous Agricultural Department with mixed commissions consisting of local and federal members, and the creation of a minimum fund of 50 million pesos to facilitate the development of the ejidos.²⁰ Rodríguez secured the division of individual parcels within the ejidos rather than collectives and reform within fiscal means. The only limitation was that agricultural production was required to satisfy rural population centers.²¹ More importantly, Rodríguez put himself in charge of the new autonomous agricultural department.

President Rodríguez and the agraristas took land reform completely out of the hands of the states and the Congress. The Six Year Plan called for the renewal of land division under a more simplified system of greater federal administration rather than state so that this division could proceed more rapidly. Under the old system of local Agrarian Commissions and a National Agrarian Commission not much land had been

¹⁹Tzvi Medin, El Minimato Presidencial: Historia Política Del Maximato, 1928-1935, (Mexico City: Ediciones Era, 1972), p. 141.

²⁰Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934, Vol. 12: Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 96.

²¹Tzvi Medin, El Minimato Presidencial: Historia Política Del Maximato, 1928-1935, (Mexico City: Ediciones Era, 1972), p. 141.

distributed recently. Official statistics showed merely 196,000 hectares for 1933, the lowest point since 1922 and a small fraction of the average year following 1922. An important reason for this slowdown had been the refusal of the central government to confirm the "provisional" redistributions which state governments had been continuing to make.²² Prior to the creation of the Six Year Plan, Rodríguez had actively legislated for agrarian reform. Now his goal was to solve the agrarian problem, in so far as possible, during the last year of his administration by usurping all power from the states and the Congress.

The President's Agrarian Commission

On December 13, 1933, President Rodríguez gave a presidential message to the Congress regarding the creation of an Agrarian Department of the Government to take over handling of the agrarian laws from the Department of Agriculture. Article 27 of the Constitution, which was amended by Congress before it adjourned on December 26, 1933 created this new independent department of the government functioning under the direct orders of the President. The department was assisted by an Advisory Body of five members appointed by the President and Deputy Angel

²²John F.W. Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 599.

Posada was appointed Chief of this department.²³ The decree published in the *Oficial Diario* of January 12, 1934, granted the Executive special powers until August 31, 1934, to issue this New Law of Organization for the Ministries of State and to amend the existing agrarian legislation.²⁴ The former National Agrarian Commission, functioning under the decree of January 6, 1915 and presided over by the Secretary of Agriculture, ceased to exist.²⁵

Following the passage of the bill, President Rodríguez submitted to Congress a draft of an organic law governing the functions of the Agrarian Department. This law was in accordance with the recommendations contained in the Six Year Plan. The work which in the past has been handled by local Agrarian Commissions and private executive committees was taken over by mixed commissions, by private executive Committees, and by commissariats representing the owners of ejidos. State governors no longer had jurisdiction in agrarian matters.²⁶

President Rodríguez saw to it that all the "provisional possessions" which had been held up in recent years, were automatically confirmed wherever the local resolutions had

²³NAUS 812.52/1853, No.1004, J. Daniels, January 17, 1934, Reel 82.

²⁴NAUS 812.52/1852, No.998, J. Daniels, January 15, 1934, Reel 82

²⁵ NAUS 812.52/1851, No.996, J. Daniels, January 16, 1934, Reel 82.

²⁶ NAUS 812.52/1838/No 897, J. Daniels, December 15, 1933, Reel 82.

not been the subject of specific actions taken in opposition.²⁷ He issued a decree of January 8, 1934 setting a term of thirty days from January 1, 1934 during which owners of property affected by provisional decrees of dotation of ejidos could submit allegations against such decrees. After thirty days these cases were considered closed and there was automatically issued a presidential resolution confirming the decision rendered by the local authorities.²⁸

A meeting on February 16 discussed the regulations to be used in which future dotations and restitutions of lands and waters would be carried out within the general outline of the Six Year Plan.²⁹ The Commission determined that facilities would be given to owners of haciendas. If land dotations were not cultivated, the lands would be given to others for cultivation. In addition, other facilities would be given to land owners in order that they might cultivate the lands and not allow them to remain idle as often had been the case.³⁰

²⁷John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 599.

²⁸NAUS 812.52/1848, No. 992, J. Daniels, January 12, 1934, Reel 82.

²⁹NAUS 812.52/1857, No. 1111, J. Daniels, February 1934, Reel 82.

³⁰NAUS 812.52/1862, No. 1182, J. Daniels, March 2, 1934, Reel 82.

The promulgation of the first Agrarian Code of March 22, 1934 formulated primarily by Fabila³¹ recognized all the legislation dispersed until then: The Law of Dotation and Restitution of Lands and Waters, the Repartition of Ejidal Lands and of the Patrimony Parcelario Ejidal, New Centers of Agrarian Populations and the National Agrarian Registry.³² The Agrarian Code introduced the concept of individual parcels within established population centers as a means of maintaining the social and economic strength of the communities already established around the ejidos including schools and local financial institutions and to protect the campesinos from exploitation. However, the Code also allowed establishment of new population centers if it meant better utilization of the natural resources.³³ With this Code, President Rodríguez proceeded with his goal of capitalist production within the ejidos.

The Department of Agriculture arranged for the distribution of approximately forty million hectares of national lands to help expedite the solution. It established the organization of technical brigades which were charged with

³¹Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 449.

³²Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934, Vol. 12: Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 163. NAUS 812.52/1867, No. 1257, March 23, 1934, Reel 82.

³³Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 456.

defining boundaries and dividing the lands. Once this was done, the Department entrusted the colonization division to take the necessary steps to distribute the population equally on the lands so divided and establish a just economic equilibrium.³⁴ The Department increased personnel and military engineers to speed up distribution. In addition, the law stipulated that there was a maximum of 180 days for land division grants to conform to the new Code.

President Rodríguez sought to provide the Banco Nacional de Crédito Agrario with enough money to enable the many who were receiving parcels of land to get them into production. In spite of the World Depression's effect on official resources, he maintained irrigation works, construction of roads and provided local credit organizations, although regional differences existed. The Banco created agencies in Campeche, Durango, Morelia, Navajoa and Pachuca; multiplied operations in Aguascalientes, Ciudad Anahuac, Celaya, Córdoba, Chihuahua, Jalapa, Jalisco, Mexico, Morelos, Oaxaca, Puebla, Querétaro, Tamaulipas and Valle de Mexico. At the end of Rodríguez's term in office, there were 1491 credit establishments with 103,444 members of which 85,155 were ejidatarios and 18,286 were small agriculturalists. The agricultural credit was an operation that was essentially local. As compliment to

³⁴NAUS 812.52/1865, No. 1240, Stanley Hawks, Embassy Secretary, March 20, 1934, Reel 82.

the work of credit, the Banco initiated the establishment of some social services such as rural medicine.³⁵

The Cuerpo Consultivo Agrario of the new Agrarian Department met at least twice weekly to act quickly on all accumulated applications, with the result that land distribution went ahead at a rate which even exceeded that of the heyday of Portes Gil. The President's report of September 1, 1934 advised that between February 20, 1934 and August 31, 1934, 1,281,000 hectares had gone to 97,000 heads of families.³⁶ The Agrarian Department reported it had distributed more than a million hectares of land in the period from February 20 to July 31, 1934. There had not been a single Presidential Decree published in the *Diario Oficial* denying a petition for the dotation or restitution of ejidos. The total number of presidential resolutions was 904, which covered an area of 1,045,707.22 hectatres of land and benefitted 81,928 families.

Month	Presidential Res	Hectares	Heads of Family
February	103	135,707.32	8,818
March	65	77,528.61	5,563
April	357	445,722.59	34,170

³⁵Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 473-477.

³⁶John F.W. Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 599. Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 467.

May	96	79,722.75	7,263	100
June	109	120,550.74	10,660	
July	174	185,890.21	15,454	
Totals	904	1,045,122.22	81,928	

These total figures, presented in relation to the states favored, are made up as follows:

State	Presidential Res.	Hectares	Families
Campeche	3	8,568.00	226
Colima	3	1,992.62	150
Chiapas	74	82,470.42	8,629
Chihuahua	46	95,036.75	3,589
Durango	15	26,659.36	939
Guanajuato	39	24,043.24	2,745
Guerrero	49	81,128.36	5,127
Hidalgo	40	32,369.80	3,800
Jalisco	26	23,322.97	2,745
Mexico	45	24,004.21	6,111
Michoacan	60	53,725.54	6,930
Nayarit	11	23,544.77	1,405
Nuevo Leon	3	10,776.09	284
Oaxaca	10	6,109.70	732
Puebla	34	33,507.37	2,760
Queretaro	15	19,125.98	979
San Luis Potosi	48	66,201.27	3,194
Sinaloa	24	23,050.85	2,054
Sonora	9	28,871.63	1,018
Tamaulipas	20	14,201.82	-893
Veracruz	270	213,390.70	-830
Yucatan	11	46,636.91	-132
Zacatecas	49	106,383.86	4,656

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³⁷NAUS 812.52/1885, No. 1715, J. Daniels, August 25, 1934, Reel 82.

Despite the positive numbers, political motives always played a role. Veracruz had the largest number of hectares distributed while reform in Lower California, where President Rodríguez owned much agricultural land himself, was nonexistent. Still Rodríguez can be credited with making the break with the Maximato, taking control away from the states and Congress and personally laying the groundwork for Cardenas in the realm of agrarian reform.

President Rodríguez's goal was to meet the demands of both labor interests and Mexican capital in order to facilitate national economic growth. His labor reform was guided by the Federal Labor Law of 1931 and the principles of the Six Year Plan which he developed with the PNR between July and December 1933. One goal of the Six Year Plan was to put Article 123 into practice and control labor by it but also raise their standard of living with minimum wage legislation. On the side of Mexican capital, President Rodríguez wanted to develop national companies and create a semiofficial regulatory and protective agency to defend the Mexican middle class from foreign interests. Thus, he wanted to intervene and regulate the relations between all the different sectors but respect the actions of the same as he supported cautious intervention in labor relations.¹ Rodríguez provided Mexican capital with a stable, procapitalist government and a uniform national labor code which offered the possibility of a legalistic resolution to labor-capital relations and lessened the authority of state officials to intervene with Rodríguez's regulation of labor.²

¹Tzvi Medin, El Minimato Presidencial: Historia Política Del Maximato, 1928-1935, (Mexico City: Ediciones Era, 1972), p. 142

²Alex M. Saragoza, The Monterrey Elite & the Mexican State, 1880-1940, (Austin: University of Texas Press, 1988), p. 135.

On August 28, 1931, one year prior to Rodríguez taking office, the Federal Labor Law gave legislative form to the provisions of Article 123 of the 1917 Constitution. This article included a call for a minimum wage, an eight hour day, a six day week and double pay for overtime. It also stipulated that employers would be liable for accidents and occupational diseases and would at their own expense provide comfortable and sanitary dwellings and compulsory schooling. It proclaimed the legality of strikes, and addressed how disputes between labor and capital would be arbitrated.

The Labor Code offered concessions to labor in return for closer Federal regulation of industrial relations. Labor disputes would be submitted to a board of conciliation and arbitration. This board would consist of equal numbers of representatives of both labor and capital and one representative of the government. This was significant in that it allowed the government to have the controlling vote in a labor dispute and was used as a key mechanism for controlling labor. Article 576 of this law gave very broad powers to the boards of conciliation and arbitration so that they could, in the case of each dispute, order the institution of all sorts of conditions of work, among them wage scales, hours of work, and the increase or decrease of personnel. Among the Federal

Labor Law's approximately 700 articles were important provisions leading to compulsory trade unionism.³

As one of former President Rubio's Ministers of Industry, Commerce, and Labor in 1932, General Rodríguez had been interested in plans to reorganize that Ministry. The equilibrium between the organic development and the integration of national industry and commerce on one hand, and the solution of the problems of the workers on the other, was very difficult to realize. This was amplified because both basic aspects of the economic and social life were under the charge of one ministry. As President he quickly acted to split the Ministry into the Ministry of Labor and the Ministry of National Economy.⁴ The new autonomous Labor Department, which now reported directly to the President, could devote itself to the accumulating and increasing number of cases which, with the new labor legislation, were coming before the Boards of Conciliation and Arbitration. With this department under his control, Rodríguez commanded the decisions of the arbitration board.

³John F.W.Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 514.

⁴Javier F.Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 496.

Labor Relations and National Capital

During Rodríguez's tenure, he tried to obtain unity with the Camara National del Trabajo but its leadership was out for its own self-interest, not that of the workers, and rivalry between leaders prevented this unification. In the power void left after the CROM monopoly during the Calles presidency, and with the passage of the labor code, the new strength given to labor organizations caused considerable bickering among their leaders. None of the worker syndications – the surviving C.R.O.M., C.G.T and others – represented hegemony of the problems of the worker, much less represented the interests of a national movement.⁵ Gaxiola wrote that the directors of the laboring masses lost their character as leaders and became irresponsible agitators.⁶

The President himself intervened to lay down the basis of settlement in a number of important labor disputes. His award of December 10, 1933 settling a bus strike, was the first award to place in a labor contract the clause making it obligatory for the company to use exclusively workers belonging to the union. Rodríguez announced his arbitral decision in a dispute between the National Railways of Mexico

⁵Ibid., p. 487.

⁶John F.W.Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 600.

and the Union of Railroad Workers on June 14, 1934.⁷ When he intervened he not only helped this union obtain the recognition of the Railways, but ordered that the contracts include the union's exclusive rights in the case of hiring and firing.⁸

President Rodríguez took steps in these disputes to see to it that contracts between labor and companies included clauses which made the unions exclusive bargaining agents with rights to say whom the companies should employ and should fire. This was a privilege of the unions which the President wanted to be used in a manner which would not allow the labor leaders to make reprisals harmful to the workers themselves, and he sought means of limiting it to cases where there were legal reasons why a worker should be removed. The goal of the exclusionary clause was to maintain the vigor of the syndication and at the same time, protect the individual workers from the oppression and abuses of their leaders. He included this as an essential point of the Six Year Plan.⁹

Strike movements became prevalent in June 1934 as reported in the Mexico City press and included such diverse interests as the National Railways of Mexico, El Aguila Oil Company, and fourteen other potential strikes in the San

⁷NAUS 812.5045/171, John S. Littell, American Vice Consul, July 3, 1934, Reel 58.

⁸John F.W.Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 601.

⁹Javier F.Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 499-503.

Cristobal sugar mill, El Oro Mining, Atlas factory, Mexican silk factory, El Aguila Textile factory, Parke Davis drug company, bus line strikes, El Progreso factory, YMCA, Sinclair gasoline station, Azarco Mining Company, Central National hat factory, Coahuila and Zacatecas Railway, Sabinas Coal Companies and the Mexican Zinc Company.¹⁰

The strike of the Union of Oil Workers of Southern Veracruz against Mexico's largest oil company, El Aguila Mexican Petroleum Company, and its subsidiary, Ingenieros y Constuctores Martin, SA started on May 9, 1934. On June 6 it was learned that, at the suggestion of Labor Minister Bojórquez, President Rodríguez had been named arbiter. The El Aguila strike ended soon afterward, although it was not until early in July that the details of Rodríguez's award became known. The presidential decision established regional commissions to consider grievances and make awards. Each commission consisted of three members- a federal inspector, a representative of the interested labor organizations and a representative of the company concerned. The President's decision also established the union's exclusive rights in the determination of company employees; it reduced the work week to 46 1/2 hours, called for obligatory payments on the weekly rest day, established numerous worker benefits, increased the number of holidays with pay, revised vacation

¹⁰NAUS 812 5045/171, John S. Littell, American Vice Consul, July 3, 1934, Reel 58.

and retirement policy, and increased workers' wages.

Furthermore, it established the methods to be used in granting promotions, based on years of service and competence.¹¹

As a result of the settlement with El Aguila, the workers union of the Huasteca Petroleum Company asked for contract changes in accord with the principles established for the El Aguila workers. A strike notice was issued to take place on October 6 but the conflicting parties agreed to submit the case to presidential arbitration. Huasteca had already voluntarily offered these concessions, and this was seen as a ploy by the workers for more concessions, which could then be demanded, in turn, by the El Aguila workers.¹² Nonetheless, on October 2, Rodríguez was accepted as arbiter, and his decision on October 12 was that there was an inequity and the labor contract would be modified benefiting the workers of the Huasteca Petroleum Company.¹³

¹¹ John F.W. Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 601.

¹² NAUS 812.5045/185, John S. Littell, American Vice Consul, November 12, 1934, Reel 58.

¹³ John F.W. Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 601.

¹⁴ NAUS 812.5045/185, John S. Littell, American Vice Consul, November 12, 1934, Reel 58.

¹⁵ Ibid.

Toward the end of 1934 which also marked the end of the Rodríguez administration, a number of strikes were declared void by the Central or Federal Boards of Conciliation and Arbitration in Mexico City as a reaction against continual labor agitation. In line with continued government interest in the danger of strikes- a number which were to be general strikes- was the appointment, in several cases, of the chief of the Department of Labor and in one case of President Rodríguez as arbiter. Practically all of the strikes appeared to have been averted or terminated, at least for the time being, although the long standing disputes on the important National and Mexican Railways had not been settled.¹⁴ The government owned National Railways and its workers had signed an agreement on October 6, and on October 17, the President designated an arbiter to preside over a special commission to solve pending disputes. Nevertheless, a strike was still threatened.¹⁵

President Rodríguez, recognized that the future would see important labor problems in the field of public services, due in part to professional agitators, and personally favored obligatory arbitration. In a meeting with Vasconcelos, Michel, Gil, Sáenz, Borjórquez, Gaxiola, the presidents of the Boards of Arbitration and Conciliation, and a consulting labor lawyer it was decided that obligatory arbitration was constitutional. It was felt that obligatory arbitration would not limit the

constitutional right to strike but would follow the strike declaration.¹⁶ This allowed the federal government to control both capital and labor and above all promote profitability, the primary objective of the Rodríguez administration.

Minimum Wage: Centerpiece of Development

Establishing a minimum wage was the centerpiece of President Rodríguez's economic development for Mexico as he believed generalized consumption was the only means capable of assuring the success of production, thus harmonizing labor and capital. "The success of the entire economic process now depends, in the final analysis, on the capacity of consumption of the great masses of the people."¹⁷

Addressing the need for a higher standard of living, Rodríguez stated on August 18, 1933 in his circular to the governors:

"As the Executive of the Nation, I have been deeply and constantly preoccupied by the impoverished condition of our working classes. It is on the national conscience, that the peasant masses mainly, lack the most essential elements of contemporary civilizations, as their level of living can be considered inferior to the one enjoyed in the majority of the educated nations. The field and town

¹⁶John F.W.Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 602.

¹⁷NAUS 812.5041/58, Circular to Governors, August 18, 1933, Reel 58.

workers continue to be underfed; the quality of the clothing used does not even answer climatic needs; very rarely is there a small surplus for modest diversions, while the sum which should be had for emergencies, savings and culture does not even exist. . . Our people have barely emerged from the lamentable position to which they were relegated during the colonial period.”¹⁸

President Rodríguez linked the standard of living to the need for more purchasing power in order to stimulate production:

“At the present time it is not possible to accept the theory of the separation of capital and labor . . . The impoverished state of the working masses re-echoes throughout business, making it small and reducing its volume to such a degree that technical organization of business is rendered impossible; thus isolating prosperity which is the result of large scale production.”

By exploiting man and paying a wage of 0.25 centavos or even less so that peasants could compete with tractors, and mule drivers with railroads, only then was less technology seen as more profitable.¹⁹

In Rodríguez’s appeal a few days later to all industrialists and agriculturists through the press, he pointed out that by increasing worker’s purchasing power, industries in Mexico would increase production and bring these industries into further technical advancement. If Mexico can improve

¹⁸Ibid.

¹⁹Ibid.

technology, the increased wages would be compensated for by better productivity by the workers.²⁰ "This Executive does not ignore the complexity of the problem and the innumerable factors thereof which must be considered if we are to solve it ...but we must resolutely attack the problem."²¹ The wage increase was to be compensated for by an increase in the productivity of the laborer through rationalization of industry, development of technique, rotation of crops, use of machinery, and scientific fertilization.²²

Minimum Wage: Aggressive Legislation

As governor of the northern part of Baja California, Rodríguez had succeeded in having municipal commissions there set a four peso daily minimum wage. Because minimum wage was successful for the economy in the Northern District, Rodríguez wanted to implement it nationwide as President. One of his first steps as President of Mexico was to create a commission to study Mexican wages. The President then carried on a personal campaign to establish minimum wages in the entire country, virtually dictating legislation to the State governors. Opposition to minimum wage was not an option.

²⁰NAUS 812.5041/57, No. 541, J. Daniels, September 1933, Reel 58.

²¹NAUS 812.5041/61, Letter to Industrialists, August 28, 1933, Reel 58.

²²*Ibid.*

The Commission determined that in accordance with the Federal Labor Law, at the end of 1932, the minimum wage should have been fixed in the 2,664 municipalities of the country, but according to information from the Department of Labor, only 197 Commissions had rendered their decisions. The Northern Territory of Lower California, where Rodríguez had initiated the minimum wage as governor, led with a minimum wage of 3.00 pesos and the State of Sonora with one of 1.50 pesos. This higher wage kept northern Mexico more competitive with their North American counterparts. Rodríguez did not want to wait until 1934, the date on which, in compliance with Article 415 of the law cited, the commission entrusted with the fixing of the minimum wage was supposed to hold another meeting.²³ He proposed to amend Article 415 of the Labor Law to enable special committees in each State which study the question of salaries to revise their minimum salary scale every year, instead of every two years, as provided for in the Labor Law.²⁴

Rodríguez sent a circular to the governors urging them to enact legislation immediately and simultaneously authorizing a minimum wage in their districts. The President provided a table showing the minimum salary to be fixed in each State and Territory. Nineteen states were to have a minimum salary

²³NAUS 812.5041/58, Circular to Governors, August 18, 1933, Reel 58.

²⁴NAUS 812.5041/57, No. 541, J. Daniels, September 1933, Reel 58.

of 1.00 peso, eleven states of 1.50 pesos and the Northern District of 3.00 pesos.²⁵ This was quite a distance from the 4.00 peso minimum wage Rodríguez had envisioned but he saw it only as a first step. The next step in the scale should be fixed at a minimum of 2.00, the next at 3.00, and the next at 4.00 pesos with the firm conviction that wages should never be stationary and much less, should never be reduced. The Commission could also fix the minimum wage for larger amounts in any municipalities where economic or geographic conditions indicated a need for higher wages. He also indicated that the actual minimum wage should be for unclassified peasants and workingmen, allowing a speedy rise in the fixing of wages for classified workingmen, miners, etc.²⁶ Rodríguez wanted to fix a minimum wage simultaneously, as any omission would cause an economic lack of equilibrium which could be taken advantage of by certain enterprises in order to make disloyal competition.²⁷

On August 29, 1933, the American Vice Consul, William P. Cochran wrote:

“The enormous unofficial power of the Mexican President, and the assurance that so important a step was taken only after approval by General Calles and other powers in the dominant National Revolutionary Party,

²⁵Ibid.

²⁶NAUS 812.5041/58, Circular to Governors, August 18, 1933, Reel 58.

²⁷Ibid.

indicate a fairly high probability that the wage scales¹¹⁵ recommended will be made effective.”²⁸

On September 7, 1933 Rodríguez issued an acuerdo expressing his satisfaction that considerable approval had backed the idea of establishing 1.50 pesos and 1.00 peso as minimum wages in different states. He formed a special commission to coordinate all efforts to establish minimum salaries. On September 12, 1933 Congress amended the Labor Law so as to include minimum wages.²⁹

In accordance with the reform of the Mexican Labor Law reported on November 3, 1933, the Central Boards of Conciliation and Arbitration tried to convene the employers and workers of the municipalities under their jurisdiction to designate their representatives on the Special Minimum Wage Commissions in order to begin their duties on November 10. Failing to do so, the Boards were to appoint the missing members within five days and were to complete their studies within twenty days. The Central Boards were to fix the minimum wages if the Special Commissions failed to do so, and wages were to go into effect on January 1, 1934. The Board stated only unionized workers could participate in election of Special Commissions. President Rodríguez had covered all of the bases in order that minimum wages would be

²⁸Ibid.

²⁹John F.W.Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 553.

set without fail by January. When neither the employers or the workers appeared for registration, back up procedures were put in place and the Special Commissions were formed. The Organization of Employers recommended among other things that the minimum wage be based on farming not industrial wages but this was not the criteria used.³⁰

After the Federal Department of Labor received information from nearly a majority of the States that the Special Minimum Wage Commissions had been installed, the National Minimum Wage Commission formed by the President sent a circular directing them to establish a single minimum wage in each municipality. They were instructed to conform as much as possible to the rates suggested by the President. The established rates could not lead to a reduction by the employers of wages now above the minimum. In addition, workers were expected to put in a full day's work, and they were directed to strengthen their organizations, especially on the farms, so as to obtain the benefits granted to them by minimum wage legislation.³¹ For the municipalities in most of the states minimums higher than the 1.50 pesos were established.³² The Federal Government also put into effect the

³⁰NAUS 812.5041/68, John S. Littell, American Vice Consul, November 27, 1933, Reel 58.

³¹Ibid.

³²John F.W.Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 554.

President's minimum wage suggestions as regarded its own employees which effected 2,032 employees.³³

Eight months later on August 17, 1934 President Rodríguez addressed a nationwide chain of Mexican broadcasting stations in which he urged the observance of the minimum wage law. The message was favorably commented upon in the press, but it was the general belief in well-informed circles that because of the divergence of the daily wage scale in the various States of the Republic, its application on such a scale as the President proposed throughout the entire country would be quite difficult to realize.³⁴ There was strong resistance by Mexican Capital influenced by regional competition in spite of Rodríguez's attempts to tie consumption to increased productivity. Nonetheless, Rodríguez made national minimum wage laws a reality in Mexico before the radical and pro-labor President Cárdenas used the State to support workers.

General Economic Plan for Mexico

In addition to minimum wage to increase consumption, President Rodríguez supported social reforms which included

³³NAUS 812.5041/58, Circular to Governors, August 18, 1933, Reel 58.

³⁴NAUS 812.5041/88, No. 1726, J. Daniels, September 1934, Reel 58.

public education and an aggressive land distribution policy, modernization of agriculture and an expanded industrial base to provide the underlying economic base. He believed increased standard of living, increased purchasing power to stimulate production, improved technology to increase profitability of production and expanded industry to increase exports and decrease imports were all interrelated.

In a speech to his industrialists, President Rodríguez expanded upon his economic plan for Mexico. He cited statistics showing the capital invested in the various industries of Mexico and pointed out the ability of Mexico to become an export instead of an import country. He showed comparative tables of imports into Mexico during 1929 compared to those of 1932, which declined from 382 million pesos to 180 million pesos, the largest single import being machinery. Imports dropped in textiles, canned fish, fruits, corn and eggs, and advancements were made in agriculture in cotton, tobacco, wheat and vegetable production.³⁵

Rodríguez pointed out that the value of the industrial and agricultural productions offered a marked contrast. The majority of the economy was based in agricultural production. Four-fifths of the population were agriculturists, and only a tenth were in industry. However, the gross amount of the agricultural production barely reached a figure of 722,500,000

³⁵NAUS 812.5041/61, Letter to Industrialists, August 28, 1933, Reel 58.

pesos, whereas the sole gross production of the transformation industries reached a figure of 900,332,923 pesos. Subtracting the sum of 351,222,521 pesos, the amount used for raw materials, plus fuel and electricity, from the value of the industrial production, the sum in industry's favor was 549,110,402 pesos, equivalent to 76% of the agricultural production.³⁶

But instead of trying to rapidly become an industrial nation to improve the economic situation, Rodríguez knew it was more feasible to improve the technical organization of established industries, install new ones and introduce the scientific method to secure greater agricultural production through selection of seed, use of fertilizers, and a rotating system of crops, and systematized experimental plantings in the tropical and semi-tropical regions. Rodríguez believed the State needed to cooperate in the solution by supporting agricultural experiments and agricultural credit. The government also needed to give protection to agricultural exports to increase the annual amounts exported.³⁷ President Rodríguez implemented this policy and Cárdenas accelerated it when he took office.

³⁶Ibid.

³⁷Ibid.

National Economic Development: Mixed Economy

The new Ministry of National Economy devoted its attention to the ideas of State economic intervention.³⁸ As a result of the Calles-Morrow accord, there were more U.S. investments in 1926 in Mexico than at the end of the Porfiriato.³⁹ However, the World Depression had caused foreign investments to dry up and international trade to contract within the international economic system. Mexican economic development could continue only if the State took up the slack by regulating and stimulating national development. This State interventionist philosophy was in sharp contrast to Calles' laissez-faire economic liberalism and represented the very foundation of Cardenismo.

In his fight for minimum wages, Rodríguez pointed out that natural resources should be rationally exploited to leave an equitable profit to the country, not giving prosperity to the absentee capitalist and poverty for the laborers because of miserable wages earned.⁴⁰ "The Federal Executive is disposed to lend all its moral support to negotiations exploiting the subsoil, endeavoring merely to have this exploitation leave to

³⁸John F.W.Dulles, Yesterday In Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 600.

³⁹Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934, Vol. 12: Los Inicios De La Institucionalización La Política Del Maximato, (Mexico City: El Colegio De Mexico, 1978), p. 265.

⁴⁰NAUS 8125041/58, Circular to Governors, August 18, 1933, Reel 58

our people at least the fair wages which people employed in such hard labors should receive.”⁴¹ Rodríguez put this philosophy to practice when he acted as arbiter in labor disputes with the oil industry in 1934. But he wanted more than higher wages for Mexican labor from the petroleum companies; he wanted gains for national economic development as well.

In October 1932, President Rodríguez dictated an accord which declared the national reserves of the free lands to form part of the inheritance of the State and established the possibility to create national petroleum reserves.⁴²

“Attention must be given, in my opinion, to the fomenting of industries relating to raw materials and to the utilization of the natural resources of the country. Especially mining is one of our sources of wealth which has not attained the development or the technical advance it should have, working also, toward the coordination of all the factors contributing to the production of Mexico, in order duly to organize the national economy.”⁴³

Rodriguismo was most evident in economic policy. President Rodríguez adopted his own policy which was unlike both Cárdenas’ collective vision and Calles’ noninterventionist model: the mixed economy. Replacing the predominant belief

⁴¹NAUS 812.5041/61, Letter to Industrialists, August 28, 1933, Reel 58.

⁴²Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 242-246.

⁴³NAUS 812.00/29885, No. 385, *Excelsior*, July 19, 1933, Reel 2.

in the interests of the collective over the rights of the individual, he promoted the initiative of the individual under the vigilance and regulation of the State.⁴⁴ He modified his American capitalist philosophy to fit the limited amount of private Mexican capital available as a resource.

President Rodríguez used the principle of mixed economy to increase national production. He implemented two diverse procedures: the development of cooperatives and the direct organization of production under the control and subsidy of the State. In the second situation, organizations were developed regionally to distribute products and they limited production to serve the consumers in each zone.⁴⁵

In August 1933 Rodríguez stated to the press that the exploitation of extractive industries must be carried on by national enterprise and capital, and again posed the question of what is the best method, if by "the State in joint contracts with private individuals, or by means of labor cooperatives financed by loans."

"The most expedient form of exploitation must be determined and therefore, the Commission must study the different systems used in other countries. There should be included in the Budget of Expenditures an item destined exclusively for the exploitation of the national mineral reserves with shared ownership between the State and the shareholders. It is expedient also that

⁴⁴Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 238.

⁴⁵*Ibid.*, p. 250.

this Commission study whether the system in force at¹²³ present, in which concessions are granted to private individuals or stock companies organized for the purpose of exploiting the mineral resources, should be continued, or whether the establishment of cooperative societies of miners on a small scale should be established, under the supervision of the State and with subsidies decreed by the State to render possible the exploitation of our mineral resources. I consider of vital importance the solution of the problems which I have set forth with respect to the mining industry of Mexico."⁴⁶

The President then referred to the nationalization of electrical energy, stating that a plan for the nationalization of all free resources of electrical energy was now before the Mexican Senate for approval.⁴⁷ He resolved the problem by creating the Federal Commission of Electricity which had two basic goals: that electricity could be supplied at an affordable rate to promote industrial activity, and that the system of distribution was in such a manner as to develop new regional production centers. In a letter written to Josephus Daniels dated August 30, 1933 Rodríguez said he was "seeking the solution of the economic and labor problems which I have devoted my greatest attention and thought."⁴⁸

On December 20, 1933, President Rodríguez asked Congress to authorize a society of mixed economy to assure the supplying of the country in general and especially meet the necessities of the Government and the National Railroads of

⁴⁶NAUS 812.00/29895, No. 397, *Excelsior*, July 25, 1933, Reel 2.

⁴⁷NAUS812.00/29906, *Excelsior*, August 9, 1933, Reel 2.

⁴⁸NAUS 812.00/29915, No. 547, Reel 2.

Mexico. He tried to organize the Compañía Petróleos de México, S.A. (Petromex), with private investments and it constituted an important step in the nationalization of the subsoil and exploitation by a semiofficial business.⁴⁹ Mexico first sought a partnership with foreign companies for their technology and capital but there were no takers. Petróleos de México then tried to organize exclusively with Mexican investors but on a much smaller scale than first envisioned. Because national investors did not come forward, all capital was subscribed by government institutions.⁵⁰

President Rodríguez also sought protection for the consumer, seeking to keep prices low for necessary items, particularly electricity, medicines and gasoline. He revised the tariffs of thirty two electrical companies that operated in the country. On March 16, 1934 he ordered the creation of the Regulatory Commission of the Medical Market. The Investigative Commission of the Petroleum Market and its derivatives made a study which in later years led to the Federal Government fixing gasoline prices.⁵¹

⁴⁹Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 248.

⁵⁰Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934, Vol. 12: Los Inicios De La Institucionalización La Política Del Maximato, (Mexico City: El Colegio De México, 1978), p. 233.

⁵¹Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 253-254.

Educating the masses was a primary objective of President Rodríguez's social reform platform. He favored lay education and an emphasis on capitalist individualism modeled after the U.S. In regard to religious issues, President Rodríguez himself never demonstrated much interest in the conflict with the Church. The Church had never been an issue in Baja California and he did not believe it needed to be an issue at the federal level.¹ The Cristero Rebellion had concluded and neither he nor Cárdenas wanted to reopen it. However, his Minister of Education, Narciso Bassols, guided by General Calles, who had a pathological hatred of the Catholic Church, reignited the religious issue during the Rodríguez Administration by stepping up restrictive legislation on the Church and promoting educational reform using the labels socialism and sexual education as inflammatory rhetoric. The real reason for the implementation of the reform was to create a political crisis at the precise moment that General Cárdenas was to come to power, the instability maneuvered by Calles. This reform became a major political problem for Rodríguez with a power struggle played out on three fronts in public education, the universities and the Church.

¹Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934, Vol. 12: Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 181.

Rodriguez made every effort to temper the movement through moderation so as not to destabilize his government, jeopardize his economic and social advances, and allow him to provide Cárdenas with a peaceful transition to power. Although Rodriguez went along with Calles and his collaborators and endorsed restrictive legislation initially, by May 1934 he had rid himself of Bassols and sided with Gil and Cardenas in an attempt to keep Calles in check. This was in keeping with his overall shift in allegiance from Calles to Cárdenas during this period of time.

Educational Reform

Calles supported Bassols in the role of Secretary of Education to carry out his brand of educational reform in 1933. Bassols proposed to have a constitutional amendment proclaim that in all schools the point of view would be that of socialism.² The amendment would exclude from both public and private schools any instruction of a religious nature and give the State absolute control over all of the educational activities.³ In addition to federal rural schools, schools which had been under the control of the states were placed under

²John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 561.

³NAUS 812.404/1301, Edward L. Reed, October 24, 1934, Reel 41.

federal control. Bassols increased teacher's salaries but got into disfavor with their leaders when he sought to reduce teacher influence in curriculum matters.

In response to the proposed reform, middle class families, the press and the clergy attacked Bassols throughout 1933 and in the final months of the year the conflict spread to include the universities. The press gave passionate opinions for and against educational reform. *El Nacional*, organ of the PNR, admonished the newspapers *Excelsior*, *El Universal*, *La Prensa*, and *La Palabra* for publishing false reports regarding the educational program of the Government. These newspapers responded by reaffirming their campaign against the Secretary of Education. Ambassador Josephus Daniels reported: "It would seem to me that the educational problems and effects have been greatly exaggerated in the controversy carried on by the press."⁴

The attacks against Bassols became so vigorous that in December 1933 the President issued a statement defending the Secretary and stating that Bassols had his support.⁵ Although Rodríguez publicly defended Bassols and like him, wanted to keep religious beliefs out of education, he was strongly opposed to socialist education. At the precise moment he was

⁴NAUS 812.404/1263, No. 1119, J. Daniels, February 16, 1934, Reel 40.

⁵NAUS 812.00/29826, No. 2293, General Political Report, February 16, 1934, Reel 2.

defending Bassols, Rodríguez was simultaneously involved in formulating the Six Year Plan where he proposed a system of lay education based on scientific reason. In opposition to his view, according to Gaxiola, was the radical Veracruz delegation who proposed instituting socialist education. However, it was Calles' support of socialism, felt through Bassols and other collaborators, which was even more influential. Within the PNR it was Rodríguez and Calles who had opposing viewpoints. The final outcome was a decision for what was termed 'scientific socialism' in the Six Year Plan, a compromise between the two sides.

President Rodríguez did not give up easily. On December 21, 1933 after the Querétaro Convention, he wrote to Carlos Riva Palacio, President of the PNR, and tried to change the decision by expressing his point of view in support of lay education. He stated that public education contributed strongly to the permanent system of politics, and therefore, Mexico needed a more flexible educational system with freedom and initiative and room for spontaneous development of culture.⁶ He said the institute of education interpreted all aspects of life and it must be based in reality, as scientific principle. Then individuals could form their own ideas and conclusions in an atmosphere of liberty and tolerance. This form of lay education corresponded to the educational system

⁶Javier F. Gaxiola, El Presidente Rodríguez (1932-34) (Mexico: Editorial Cultura, 1938), p. 309-311.

in the U.S., a country ruled by a political constitution which was liberal and democratic. Rodríguez opposed socialistic education as a system abundant with sectarian and radical doctrine which meant Mexico had only substituted religious fanaticism with another form of fanaticism.⁷

The first months of 1934 following the passage of the Six Year Plan were relatively calm, until in April, Bassols introduced a plan to include sexual education in the last two years of primary school and all of secondary school. Attacks by the press and the clergy accelerated and parents' associations started a strike by their children.⁸ The public agitation became so great that on May 9, 1934, President Rodríguez reassigned Bassols to the higher ranking post of Minister of Gobernación and Vasconcelos, a conservative, became the Minister of Education. However, Bassols, after conferring with Calles and Cárdenas who were both more anti-clerical than Rodríguez, urged Rodríguez at a Cabinet meeting to take more drastic measures against the clergy. Rodríguez refused because he felt that such strong steps advocated by Bassols would provoke difficulties for the incoming President. Bassols resigned, forced out by Rodríguez for his disloyalty.⁹

An educational reform bill to amend Article 3 was introduced during the September 1934 Congressional session

⁷Ibid., p. 314-316.

⁸John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 561.

⁹Ibid., p. 561.

as a result of the Six Year Plan. It stated that education was to be secular and socialistic. It immediately drew fire not only from the Catholics, the non-government press, and by various groups of parents, but also the university students, for reasons dealing with their autonomy. Public demonstrations against it took place in various parts of Mexico. A number of these demonstrations were broken up by force and there were several fatalities and a large number of casualties.

Demonstrations by several student bodies resulted in, or were used as a pretext for, the closing of the universities of Monterrey and Guadalajara, and of the Atheneum at Saltillo.¹⁰

Outside of declarations by Government leaders, such as General Calles, that the agitation was due exclusively to the subversive activities of capitalists (Jews) and clerics, these protests received little consideration by authorities. In several states the local governments, notably Sonora and Colima, applied further repressive measures closing more churches and expelling the priests.¹¹ In spite of the increasing volume of opposition to the proposed amendment, the bill to amend Article 3 of the Constitution was approved by the Chamber of Deputies on October 12, 1934, and by the Senate one week later.

Why did the government risk amending Article 3 given the resistance of the Church, the universities, the middle

¹⁰NAUS 812.404/1301, Edward L. Reed, October 24, 1934, Reel 41.

¹¹Ibid.

classes and other conservative sectors? It was Calles who pushed this legislation in opposition to President Rodríguez and Cárdenas. In June 1934, President-elect Cárdenas said his government opposed clergy intervention in popular education but it was Calles who was most radical in his pronouncements with his famous "Grito de Guadalajara" speech on July 20, 1934 and the demonstration he organized by the 100,000 union workers on October 28 to confirm the amendment was a popular decision. Nonetheless, the riots in Puebla, Jalisco, Michoacan, Morelos and Zacatecas, with many wounded and dead indicated that it was not a popular reform. Rumors were strong that the real reason for the implementation of the reform was Calles' desire to create a political crisis at the precise moment that General Cárdenas was to come to power.¹² Meanwhile, President Rodríguez was committed to keeping Calles in check and to avert a crisis.

University Agitation

Issues of educational reform which had played center stage through much of 1933 spread to the universities in October where concerns revolved around issues of autonomy. The autonomy of the University of Mexico established in 1929

¹²Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934, Vol. 12: Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 180.

was not absolute because it depended on financial support from the federal government. There were also internal conflicts between conservative faculty, the Rector Roberto Medellín, and Vicente Lombardo Toledano, the director of the National Preparatory School, who as a member of the more radical element of the university, favored socialism.¹³

A strike by the law students at the University grew to include most of the students of the other colleges and the resignation of a large number of the faculty. The agitation and disturbances, which culminated with the expulsion of the Rector from his office and serious damages to buildings, provoked President Rodríguez to issue a statement to the press on October 14 stating that the magnitude of the disturbance had caused him to step in. He also sent a circular to the Federal Congress proposing an amendment to the present organic law of the Autonomous National University. He stated that although his purpose was not to diminish the autonomy of the University, his goal was aimed at ridding the University of all politics, which had been one of the main causes of the difficulties of the institution in the past.¹⁴ The bottom line was if the University would not follow the official political stance then funding would be cut to the minimum and the government would create a new educational center, the

¹³Ibid., p. 172.

¹⁴NAUS 812.414/1252, J. Daniels, Political Report, October 1933, Reel 40.

National Polytechnic Institute to implement government projects in education. This was in keeping with Rodríguez's belief in the U.S. form of lay education based on scientific reason. With these threats, the University gave in to the government.¹⁵ Nonetheless, Gómez Morín, a defender of Catholic freedom, was elected Rector in October 1933 and Toledano was expelled. However, later in August 1934, the First Congress of Socialist Studies voted to censure Gómez Morín and to implement socialist education in the University.¹⁶

President Rodríguez became involved again in October 1934, when the Council of the National University appointed a committee charged with ascertaining the attitude of the Government toward the University which was seen in a negative light. In reply to this action, President Rodríguez issued a statement that the council's action was strange since the President had on many occasions made clear his attitude to the University through the generous financial assistance accorded it by the government at a time when the National Treasury could ill afford it. He quoted letters written by Rector Gómez Morín, expressing deep appreciation for the Government's generous offer of aid.¹⁷

¹⁵Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934, Vol. 12: Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 174.

¹⁶*Ibid.*, p. 174-75.

¹⁷NAUS 812.404 / 1298, No 1865, J. Daniels, October 20, 1934, Reel 41.

President Rodríguez ended his statement by declaring that “it pained him deeply that the attitude assumed by the Council in suspending the work of the University could only be interpreted as a political move to support the clerical agitation now going on against the amendment of Article 3,” and then warned the Faculties, the Council and the Rector that drastic measures would be taken if they persisted in assuming an attitude of rebellion against the Government, as had been demonstrated.¹⁸ In response, on October 30, the Acting Rector of the National University, (Gómez Morín had been granted a leave of absence of thirty days), addressed the faculty and students, and demanded a full compliance by them of the statutes of the institution, declaring that the University would function strictly within the law.¹⁹

Church Restrictions

In addition to minimizing Church participation in national education at every level, increased restrictive legislation involving all Church activity soon led to increasing difficulties and incidents during the Rodríguez Administration. Back in July 1929 at the culmination of the Cristero Rebellion,

¹⁸Ibid.

¹⁹NAUS 812.404/1329, No. 1903, J. Daniels, November 2, 1934, Reel 41.

President Portes Gil had basically reached a truce between the Catholic Church and the Mexican government. However, by September 29, 1932, shortly after Rodríguez took office, the lawmakers read an encyclical letter issued by Pope Pius XI, the *Acerba Animi*, which objected to the Mexican legislation affecting the Catholic clergy. As a result, the Pope was bitterly attacked in the Mexican Chamber of Deputies.

President Rodríguez made a statement revealing his surprise at the Pope's remarks, which, he said, were full of falsehoods and would incite the clergy to disobey the Mexican rulings. Rodríguez said the clergy "cannot resign themselves to losing domination of souls and the possession of worldly properties, by virtue of which the proletarian classes were held in complete lethargy and were impiously exploited."²⁰

The Church was not recognized by Mexican legislative principles which provided for the complete separation of Church and State. President Rodríguez considered the Catholic Church to be a foreign power since the clergy considered themselves subjects of the Pope and not citizens of Mexico, and he said the government would not tolerate the dominion of a foreign power to meddle in the affairs of the State. "I hereby declare that at the least sign of disorder the Government will proceed with all firmness and will bring about a definite solution to this problem which has cost the

²⁰John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 562.

nation so much bloodshed.”²¹ Apostolic Delegate Leopoldo Ruiz y Flores, who had forbidden criticism of the arrangement made with Portes Gil and who had strongly forbidden the use of arms on behalf of the Church now stated that the Pope’s message had been misunderstood by the Mexican government. He was quickly expelled from the country on October 3.²²

It was on September 9, 1933, a year later and just prior to the Querétaro Convention, that restrictive legislation increased against the Catholic Church. The Minister of Gobernacion Vasconcelos instructed the Chief of the Federal District to see that there be permitted only the number of priests and churches authorized by the existing law, and that the high officials of the Church in turn were given instructions that the law be complied with. Up to this point there had existed marked tolerance of the law and corresponding government regulations issued on December 31, 1931, which permitted twenty-five Catholic priests for the twenty-five Catholic churches authorized in the Federal District. Since the passing of this religious law, the Government had not enforced it to its full extent, but allowed the Church to keep open many more churches and many more priests to function than were registered under the law.

²¹NAUS 812,404/1185/No.1929, *El Nacional*, October 3, 1932, Reel 40.

²²John F.W. Dulles, *Yesterday in Mexico. A Chronicle of the Revolution 1919-1936* (Austin: University of Texas Press, 1961), p. 563.

Subsequent to the opening of Congress on September 1, 1933, certain members felt that the provisions of the religious law were being violated. As a result of representations made by these members, the Minister of Gobernación Vasconcelos, with the approval of President Rodríguez, issued the instructions.²³ On November 16, he called Archbishop Pascual Díaz into conference to carry out the regulations.²⁴

This was just the beginning of the federal legislation against the Church. The annual Presidential message to Congress on September 1, 1933 contained the report of the Minister of Education in the following passage:

"The Executive under my charge is firmly determined to further the campaign of compliance by private primary schools with the provisions of Article 3 of the Constitution, which prescribes secular instruction. To eliminate from the instruction all religious influence is a task that requires tenacity and daily watch. To maintain it there has been organized a corps of inspectors to assist in the definite extirpation from the primary schools in the District of the long continued clerical influence."²⁵

²³NAUS 812.404/1249, No. 587, J. Daniels, September 12, 1933, Reel

40.

²⁴NAUS 812.404 / 1254, No. 813, J. Daniels, November 17, 1933, Reel

40.

²⁵Ibid.

The Chamber of Deputies gave speeches on November 21, 1933 in favor of action against the alleged political activities of the clergy in the student conflicts at Guadalajara. The Congress adopted resolutions to take immediate steps 1) toward the amendment of Article 3 of the Constitution, 2) to demand the Ministries of Gobernación and Public Education, the Governors of States, and the Municipal Authorities the strict compliance of the law in matters of worship, the number of priests to be permitted, lay instruction etc., 3) To offer to Governor Allende of the State of Jalisco the absolute support of the Chief Executive and a vote of applause of the Chamber of Deputies for his bold attitude towards the reactionary elements in his State, 4) to uncover the maneuvers of the clergy as instigators of disorder and conflict, precisely at the time of the presidential elections.²⁶ These speeches were reported by *El Nacional* and in response the sympathetic Catholic newspapers *La Prensa* and *La Palabra* prominently published a statement by the University Students Federation, condemning the speeches which implied they were being incited by the clergy in Guadalajara, and stating that the only desire of the students was to eliminate the schools entirely from politics, autonomy from the government being a main issue.²⁷

²⁶NAUS 812.00/29956, No. 820, J. Daniels, November 24, 1933, Reel 3.

²⁷Ibid.

In February 1934, the Attorney General Portes Gil filed charges with the Supreme Court against Judge Antonio Alcocer, of the Second Circuit Court, which included the States of Guanajuato, Michoacán and Aguascalientes in which there were large Catholic interests. The judge's decisions on the nationalization of religious property, favored the interests of the Church in 28 actions brought by the Government for the nationalization of religious owned property under provision of Article 27 and 130 of the Constitution.²⁸

Some of the state governors sided with the Calles faction and persecuted the Church far more than President Rodríguez and the federal legislators. In May 1934, the authorities of the State of Sonora cancelled all authorizations given to Catholic priests to exercise their functions and they were expelled from the State. Such action was taken because the clergy had advised parents not to send their children to nationalistic schools. General Rodolpho Elías Calles had sent out a circular to all State officers asking them to report their attitude on the State's program because Sonora wanted to be purged of all officials who were not in sympathy with the ideas of the Government. Governor Calles stated that his order for all priests to leave Sonora was only carrying out the provisions of the Constitution; that no churches had been closed; and that the suspension of religious services was due

²⁸NAUS 812.404/1264, No. 1124, J. Daniels, February 16, 1934, Reel 40.

to the fact the priests had refused to comply with the laws which state that they must not impart doctrinal instruction.²⁹ Bassols, who had resigned as Minister of Education on May 9 and was then appointed Minister of Gobernación stopped to see General Calles on his way to the United States. Again, the action of Governor Calles may have been influenced by conferences between General Calles and Minister Bassols.³⁰

Besides Sonora, Catholic services were prohibited in Tabasco, Chiapas and Veracruz. The anticlerical excesses of Tejeda or Allende were never equaled by the Rodríguez Administration. The state of Veracruz led the way, where Governor Tejeda had been fighting the Catholic Church for a number of years in the name of socialism. In 1933, priests in the state of Jalisco were limited to one for every 25,000 persons, and the state government had turned over twenty-seven church buildings to nonreligious functions. Governor Sebastian Allende placed restrictions on students at the University of Guadalajara. In addition, the police in Guadalajara closed all the city's churches until the Catholics appealed to the President to resume some services. The Governor of Nuevo León abolished all aid to the University in his state and the state of Chiapas reduced to four the number

²⁹NAUS 812.404/1277, No. 1443, R. Henry Norweb, Charge d' Affaires ad interim, May 22, 1934, Reel 40.

³⁰Ibid.

of priests who could officiate in that state.³¹ In an update on conditions in 1934, it was reported that on March 24, the state of Chihuahua enacted legislation authorizing one minister per 100,000 inhabitants, instead of one per 45,000 as formerly; on May 3, 1934, the state of Sinaloa authorized 20 ministers (10 Catholic and 10 Protestant) for the entire State, instead of 45 ministers as formerly; and that on January 31, 1934, the holding of religious services was suspended in certain municipalities in the state of Chiapas.³² The official opinion expressed by General Calles was to blame the clergy and reactionaries and congratulate the governors for their energies.³³

By October 1934, as the Rodríguez term was coming to an end, the religious issue had heated up at the federal level as well. Prior to the session of the Senate which passed the education reform amendment, the PNR bloc in the Lower House held a meeting on October 19, 1934 at which a bill was discussed and passed by a vote of 36 to 13. The PNR bloc session began "a systematic and concrete campaign against the clergy, the principle exploiters of the forces and the riches

³¹John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 563.

³²NAUS 812.404/1277, No. 1443, R. Henry Norweb, Charge d' Affaires ad interim, May 22, 1934, Reel 40.

³³Lorenzo Meyer, Historia De La Revolución Mexicana 1928-1934, Vol. 12: Los Inicios De La Institucionalización La Política Del Maximato (Mexico City: El Colegio De Mexico, 1978), p. 174.

of Mexico from the times of discovery and colonization to the Revolution." The Bloc passed six resolutions:

1. To expel definitely from the country all priests, bishops, and archbishops.
2. To give a vote of solidarity and confidence to General Calles, (mentioned first), President Rodríguez, President-elect Cárdenas and the Governors of Tabasco, Sonora, Chiapas and Colima.
3. To organize strong centers of works and peasants which, in the City of Mexico, as well as throughout the Republic, are to combat the organizations formed by the clergy.
4. To form a Committee of Public Safety to weed out employees of the Federal and local Governments, members of the PNR, and the lists of pensioners of the State, among whom are persons descending from individuals who opposed the Revolution.
5. To sponsor and stimulate the production of revolutionary intellectuals.
6. To suppress the newspapers *La Prensa*, *La Palabra*, *El Hombre Libre*, and *Omega*, as being beyond the guarantees provided by the Constitution, and within the sanctions established thereby.³⁴

³⁴NAUS 812.404/1298, No.1865, J. Daniels, October 20, 1934, Reel 41.

The Committee of Public Safety of the Chamber of Deputies called on President Rodríguez on October 29, to inform him of its proposed procedures. *El Nacional* stated that the Government would have to risk being considered an inquisitor in its efforts to rid itself of enemies who would not resign even though their convictions were opposed to the Government. *Excelsior* pointed out that more than half a million persons in Mexico were financially dependent upon the Government and that, if the Committee's work were legally and impartially carried out, no public servant from members of the Cabinet to the lowest Government employee would be free of suspicion and liable to discharge.³⁵ Also on October 31, the Mexican Senate had met in secret session and had passed a bill providing for the disarming of all so-called "White Guards" (police privately employed to guard factories, plantations, etc.) because of the danger of their provoking encounters with armed agrarians.³⁶

The increasingly tense situation elicited this observation from Ambassador Daniels:

"The situation has developed considerable heat in the last few weeks. It looks as if the Government and the PNR, which amount to the same thing, have determined to have a final "showdown" with the Church. However, it may be that the Government (Calles) is merely endeavoring, in a way that has become traditional in

³⁵NAUS 812.404/1329, No. 1903, J. Daniels, November 2, 1934, Reel 41.

³⁶*Ibid.*

Mexican politics, to divert public attention from other things whose importance it wishes to minimize. What these things may be, I do not know, but there have been persistent rumors of dissention between General Calles and President-elect Cárdenas and there has also been a good deal of criticism directed against the affluent condition of certain political leaders."³⁷ 144

Calles got his wish when all of the restrictions finally caused Ruiz y Flores to speak out against the government and called on all Catholics to organize. In October 1934, President Rodríguez received through General Cárdenas and Colonel Carlos Riva Palacio, a message from General Calles which suggested that Monsignor Ruiz y Flores and the Archbishop of Mexico, Pascual Díaz, be thrown out of the country at once. But by this time, President Rodríguez was on the offensive against Calles and he replied that he could not act in such an arbitrary manner. Instead, he turned the matter over to Attorney General Portes Gil.³⁸

On October 31, the Mexico City press published the text of a letter addressed by President Rodríguez to Attorney General Portes Gil which consigned him to prosecute the Government's case of sedition charged against the Catholic clergy of Mexico. The President stated that under pretext of the educational reform approved by the Congress, the clergy

³⁷NAUS 812.404/1301, Edward L. Reed, October 24, 1934, Reel 41.

³⁸NAUS 812.404/1338, No. 1921, J. Daniels, November 13, 1934, Reel 41.

had initiated an open campaign of sedition clearly revealing their purpose to go as far as rebellion. Although, it did not menace the stability of his Government, he wanted the Attorney General to investigate the case and to punish those persons found responsible. On the same day, *La Prensa*, quoted Monsignor Ruiz y Flores from San Antonio, Texas as having asserted that the Catholic Church did not propose armed resistance nor had it solicited the intervention of the United States in this regard.³⁹

Portes Gil's moderate response to the crisis was favorably reported by all of the Mexico City press. He allowed that the Mexican Episcopate had broken the law by counseling disobedience to the Mexican laws, carrying on propaganda in the United States and inciting armed rebellion. At the least sign of disorder, the government would firmly respond because it had the right to demand that the Church comply fully with the laws of the country.⁴⁰ The *Excelsior* of November 11 stressed the fact that the Government was not attempting to persecute religious beliefs nor to deny people the right to worship as they pleased, but it was demanding compliance with the laws of Mexico. It praised President Rodríguez for having acted in a legal manner by submitting the case to the Attorney General, and not having acted arbitrarily as had many

³⁹NAUS 812.404/1329, No. 1903, J. Daniels, November 2, 1934, Reel 41.

⁴⁰NAUS 812.404/1338, No. 1921, J. Daniels, November 13, 1934, Reel 41.

other authorities who had expelled priests and closed churches.⁴¹

Gil's report recommended the arrest of the two men, but since they were already outside of the country, he recommended that they be seized should they endeavor to enter Mexico. Rodríguez authorized Gil to take the legal steps against the two prelates.⁴² He also authorized Gil to read his report to Calles. Thus Rodríguez and Gil ended the majority of the controversy without having to take any radical action against the clergy. More importantly, President Rodríguez accomplished his goal of keeping the religious issue smoldering despite Calles efforts to create a political crisis for Cárdenas.

⁴¹Ibid.

⁴²John F.W. Dulles, Yesterday in Mexico: A Chronicle of the Revolution 1919-1936 (Austin: University of Texas Press, 1961), p. 564.

Conclusion

Abelardo Rodríguez rode to the Mexican Presidency as a protégé of the Sonoran Dynasty with its goal of party consolidation and aggressive social reform in Mexico following the Revolution. Rodríguez was chosen by Calles to be third President of the Maximato with the goal of providing party unity and political stability leading the country into peaceful elections in 1934. He began his administration cautiously in 1932, but with Calles frequently unavailable because of health and family reasons and because Rodríguez had proven he was capable of administering with less scrutiny, Rodríguez was able to take more and more control of the government. In addition, Calles own institutionalization of politics through the formation of the PNR did not lend itself to strong man control.

After Calles became reactionary and backpeddled on social reform, Gil and other agrarian leaders sought new leadership in Cárdenas to reignite the movement. By mid 1933, Cárdenas-Gil-Gómez became more of a factor within the PNR and Calles-Pani less so. While in office, Rodríguez gradually shifted his allegiance, replacing Calles collaborators in his administration with Cárdenas proponents. From that perspective, the Rodríguez administration became a transitional government which peacefully shifted power from the Maximato to Cardenismo.

The Rodríguez presidency, however, represented more than a shift from a puppet leader under Calles to a puppet leader under Cárdenas. President Rodríguez was a very capable administrator in his own right with his own distinct political ideology and his own brand of social reform. He was a Sonoran capitalist educated in the American ways, adopting both capitalism and Roosevelt's New Deal policies as his own philosophy during his years as Governor and entrepreneur in Baja California and later as President.

Unlike Rubio's administration, which had been troubled by internal political turmoil and the World Depression, Rodríguez achieved political stability in the aftermath of the Depression and was able to move forward with the Country's economic and social reconstruction-- something totally credited to Cárdenas, when Rodríguez initiated much of it himself. The Six Year Plan, which became the basis for reconstruction, reflected the new shift in power from the Maximato to Cardenismo. Rodríguez aggressively pursued implementing the Six Year Plan during 1934 but applied his own interpretation. With his finance ministers, he put the public hacienda in order, balanced the budget and established internal credit, and then built his social reforms within fiscal responsibility. He expanded the domestic market with programs to educate the masses and improve living standards emphasizing minimum wage and labor arbitration yet supported a mixed economy and national capital. He tried to

increase agricultural and industrial production with land reform, expanded credit, modern technology, and an increased infrastructure within the country. He supported lay education and separation of Church and State.

Rodríguez accomplished these feats through sheer personal force. He formulated fiscal policy in close conjunction with his finance ministers, first with Pani, until they clashed on policy issues and then with Gómez who was more agreeable to his economic plans. By 1934, Rodríguez dictated agrarian policy as head of the Autonomous Agrarian Commission and regulated labor through personal control of the Federal Arbitration Board having usurped authority from the states and Congress. At the same time, he aggressively pushed minimum wage legislation through Congress over state's interests. In addition, he kept the military neutralized, maintained favorable relations with the U.S. government while promoting Mexican nationalist interests, and prevented Calles from reigniting the religious issue and causing a crisis for Cárdenas. Rodríguezmo, far from being supplanted by the Maximato, clearly was a force unto itself, and precursor to the Cárdenas reforms in 1935.

Personally, Rodríguez did not especially relish politics-- He was first and foremost a businessman desirous of accumulating vast wealth. He continuously expressed a desire to retire from public life and confine himself to industrial enterprises. He wanted to be President to impact national

economic reform which could only enhance his own business empire in Mexico. Otherwise he was ready to leave politics behind and return to Baja California where he was “King.” With entrenched political patronage being what it was, Rodríguez played the game as well as anyone. He was extremely loyal to Calles because Calles gave him his power and wealth. Yet as the power shifted toward Cárdenas, Rodríguez was aware of Cárdenas’ increasing influence and wanted to remain in favor with the “powers that be.” When he returned to Baja California he would need Cárdenas’ support to maintain his local hegemony and protect his national economic interests.

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