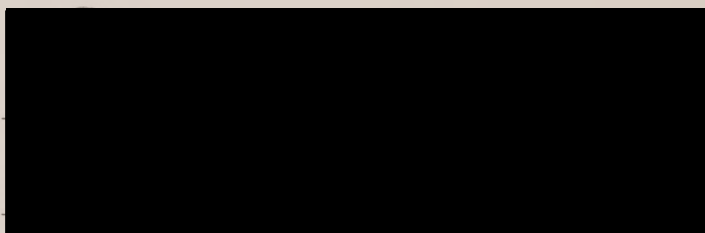


THE NAZIS IN MEXICO: MEXICO AND THE REICH
IN THE PREWAR PERIOD 1936 - 1939

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THE NAZIS IN MEXICO: MEXICO AND THE REICH
IN THE PREWAR PERIOD 1934 - 1939

BY

Dedicated to my parents

ANDREAS EBERHARD WINKLER

THESIS

Presented to the Faculty of the Graduate School of
The University of Texas at Austin

in partial fulfillment

of the requirements

for the Degree of

MASTER OF ARTS

THE UNIVERSITY OF TEXAS AT AUSTIN

December, 1983

THE NAZIS IN MEXICO: MEXICO AND THE REICH
IN THE PREWAR PERIOD 1936 - 1939

BY

AA - Auswärtiges Amt (German Foreign Office)
AGFN - Administration
AO - Außenorganisation (foreign organization of the
Nazi Party)
ARM - Acción Revolucionaria Mexicana (the predecessor of
the URM and party of the Carranza brothers)

ASFI - Ausländer Sonderkonten und Inlandbeziehungen
(special foreigners' accounts for internal
relations)
Presented to the Faculty of the Graduate School of

CCU - Confédération
CPRM - Confederación
CTM - Confederación
DND - Deutsches Nachrichtenbüro (German news agency)
FRUS - Foreign Relations of the U.S. (documents)
GM1 - Oberkommando
(high command of the navy)
GM2 - Oberkommando der Wehrmacht
(high command of the army)
PNR - Partido Nacional Revolucionario
PRM - Partido de la Revolución Mexicana
PROP - Propagandaministerium (the German propaganda
ministry)

THE UNIVERSITY OF TEXAS AT AUSTIN

December, 1983

SE - Secretaría de Relaciones Exteriores
UNM - Unión Nacional **List of acronyms**
UNR - Unión Nacional Sinarquista
UNVR - Unión Nacional de Veteranos de la Revolución

- AA - Auswärtiges Amt (German Foreign Office)
- AGPN - Administración General del Petróleo
- AO - Auslandsorganisation (foreign organization of the Nazi Party)
- ARM - Acción Revolucionaria Mexicana (the predecessor of the UNM and party of the Camisas Doradas)
- ASKI - Ausländer Sonderkonten für Inlandzahlungen (special foreigners' accounts for internal payments)
- CCM - Confederación de la Clase Media
- CPRM - Confederación Patronal de la República México
- CTM - Confederación de Trabajadores Mexicanos
- DNB - Deutsches Nachrichten Büro (German news agency)
- FRUS - Foreign Relations of the U.S. (documents)
- OKM - Oberkommando der Kriegsmarine (high command of the navy)
- OKW - Oberkommando der Wehrmacht (high command of the army)
- PNR - Partido Nacional Revolucionario
- PRM - Partido de la Revolución Mexicana
- PROMI - Propagandaministerium (the German propaganda ministry)

SRE -	Secretaría de Relaciones Exteriores	
UNM -	Unión Nacionalista Mexicana	
UNS -	Unión Nacional Sinarquista	
UNVR -	Unión Nacional de Veteranos de la Revolución	
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Chapter 1

Introduction

There are three main reasons for undertaking a survey of the relations between Germany and Mexico on the eve of World War II. First, only one specific work exists on the topic, and it was published in Germany. All other publications, whether in Spanish, English, French or German deal very limitedly or indirectly with the relationship between the two countries in the prewar period.¹ These secondary sources fail to describe and analyze properly the political

¹A good example for a more general treatment of the subject is the more recent book of Reiner Pommerin, Das 3. Reich und Lateinamerika, Düsseldorf: Droste, 1977. Here the German trade and the intrusion of the Fascist ideology is in the foreground. Other accounts deal with German relations to specific South American countries, e.g. Arnold Ebel, Das 3. Reich und Argentinien (1933-1942), Köln/Wien, 1971 and Käthe Harms-Baltzer, Die Nationalisierung der deutschen Einwanderer und ihrer Nachkommen in Brasilien als Problem der deutsch-brasilianischen Beziehungen 1930-1938, Diss. phil., Hamburg/Berlin, 1971. In view of the vital German immigration to Chile and subsequent cooperation between the two countries, it seems that there is a research gap relative to investigating the German-Chilean relations during the respective period.

and economic implications of both sides' foreign policy.²

The second reason is the geographical location of Mexico. It represents the Achilles' heel of the United States and thus the topic involves more than bilateral relations. Hence external political influences and trade agreements with Mexico naturally drew the interest of the United States. Its interference must be seen on two levels: first, the business interest, in particular by the oil companies before and after the expropriation in 1938; and secondly in the political realm of the Good Neighbor policy. Thus it is desirable to look at a complex set of foreign relations, especially in the triangle formed between Washington, Mexico City and Berlin.

Finally, there was and is a good deal of rhetoric on the subject. While the German trade inroads in Latin America were at least rationalized by some critics in order to curb them, German political and ideological penetration by propaganda aroused uneasiness and more often fear. This psychological component was often treated emotional and

²Klaus Volland, Das 3. Reich und Mexiko, Frankfurt/Bern: Lang, 1976. This book is an excellent survey about the relations between 1933 and 1942. It concentrates, however, on the oil barter deal in 1938/9 and does not use any American primary material.

irrational, and on both sides of the Rio Grande writers and political observers tended to express their anxieties about the 'Fifth Column' in exaggerated, sometimes even paranoid fashions. Of course, as we will see, these antagonists of National Socialism found evidence of German agitation in Mexico. They failed, however, to put this evidence in context of the political reality, meaning that the perceived German threat was harmless vis à vis its counterforces. For this reason, the thesis will attempt to show that the degree of German propaganda was clearly outweighed by the political success of the Cardenas administration and thus was doomed to insignificance. One might add that the Reich did not even perceive any intention to a 'spiritual conquest of Latin America' - as Franco imagined it after winning the Spanish Civil War. The only goal Germany might have aimed at, was a dissolution of the western hemisphere solidarity.

Why was the period 1936 - 1939 chosen? Primarily, because this span covers the time of the most dynamic relationship between Mexico and Germany since the Mexican Revolution.³ The reasons for an increased mutual interest are manifold. Essentially, at the beginning of 1936, foreign policy became more important, because the domestic positions

³See Friedrich Katz, The Secret War in Mexico, Chicago/London: University of Chicago Press, 1981.

of both countries were consolidated. In Mexico, Cárdenas had finally secured power after his break with Calles and the Jefe Maximo's subsequent exile. This step had brought the political machinery under presidential control and was consistently stabilized by various reforms in the years to come.

In Germany, Hitler had also manifested his leadership, though by totalitarian means. After his seizure of power, he soon received dictatorial power. Step by step, he eliminated the domestic opposition. The procedure was called euphemistically 'Gleichschaltung' - political coordination - but was in fact a ruthless purge, as seen in the assassinations of the SA leaders in 1934. Thus the stage for an enhanced concentration on foreign affairs in the two countries was set.

From these consolidated positions at home, good motives for a renewed cooperation between Germany and Mexico were easily found. Despite almost diametrical political 'Weltanschauungen,' economic and trade goals complemented each other. Recovering from the world-wide depression, Germany needed raw material, while Mexico needed industrial goods. Moreover Germany planned to extend her export markets, while the Cárdenas administration sought an economic counterbalance to its overwhelming trade partner, the United States.

Yet, Mexico's strengthened economic ties with the Reich brought along political responsibilities. In face of Germany's radicalized, self-asserting power politics in Europe, the Cárdenas government and the president himself were not shy to express their opposition to German atrocities. However, the mutual economic interest of the two nations prevented an ideological conflict. Thus trade determined the political and diplomatic climate between Mexico and Germany and not vice versa. Often the two spheres were separated and two isolated policies were pursued.⁴

The concept of business-as-usual and its separation from politics in the relations between the two countries will be the central thesis. It guaranteed vital relations despite the rapidly worsening European situation.

Only the outbreak of World War II brought an end of the dynamic economic cooperation, although the diplomatic relations were maintained and Mexico declared her neutrality

⁴This pragmatic attitude was and is very common. Take today's situation between the U.S.S.R and the U.S.: while the rhetoric in political and ideological matters on both sides is unrestrained and plain spoken, the grain deals are untouched. As it was in Mexico, domestic and nationalcentric reasons are prevailing: the American farmer lobby today looks for any outlet of its products - no matter to whom -, as Cardenas had to sell his oil to Germany in 1938. In both cases no other lucrative customers exist or existed.

in the European conflict on September 4, 1939. Therefore 1939 constitutes the upper borderline for this paper. The declaration of neutrality terminated further business without political consideration. For instance, continued Mexican delivery of oil would have meant to support the Reich's war cause and thus meant to take sides.

Ultimately, it must be emphasized that the German-Mexican relations were only of secondary importance. Public attention in the antebellum period was directed to the European situation and the countries' domestic problems in the aftermath of the depression in the early 1930's. In particular, the press focused on these issues and despite - say - the vital interest of the oil companies in the expropriation dispute, the Mexican and American newspapers' and journals' headlines are filled with the European crisis. Mexico's geopolitical importance, of course, drew some attention, but the German-Mexican relations and even the oil dispute were only perceived as being of minor significance in the light of the events in Europe and domestic economic recovery.

The method will be in accordance with the purpose: only when German-Mexican relations directly affected those between Mexico and the U.S. will reference be made, e.g. in the case of German propaganda in Mexico, also in connection with the oil nationalization and finally in trade relations.

Political and economic momenta will not be analyzed separately since

the distinction between factors that are 'economic' and those that are 'non economic' is, indeed, a useless and nonsensical device from the point of view of logic, and should be replaced by a distinction between 'relevant' and 'irrelevant' factors, or 'more relevant' and 'less relevant'. And this ... dividing line should not be expected to be the same for different problems.⁵

By this token, the structure of this thesis was chosen. The economic cooperation constitutes the first part of the paper and political disturbances the second. However, this system will juxtapose the two, and demonstrate the flourishing trade relations while ideological disagreements increased. Consequently, cross references will be made consistently.

The most valuable source consists of unpublished documents of the German Foreign Office relating to Mexico's petroleum (1936-1939). Most of these papers came from the German legation in Mexico City and the Foreign Office (AA = Auswärtiges Amt) in Berlin. In addition, the Documents on German Foreign Policy 1918-1945, series D and the recently published series C, have been used.

⁵Gunnar Myrdal, Economic Theory and Underdeveloped Regions, London: G. Duckworth, 1957, p. 10.

Mexican primary material includes personal and public documents of President Cárdenas. Moreover the official government newspaper El Nacional and releases from the government press department (DAPP) were selectively examined.

North American sources are State Department papers (FRUS) relating to Mexico. Despite their volume, only a few deal explicitly with German influence in Mexico. If they do, they concentrate on trade matters or in general with the Nazi's commercial breakthrough in Latin America after the mid-1930's.⁶

In addition to these official and semi-official sources, many contemporary articles of German, Mexican and especially American journals and newspapers were reviewed in order to obtain a sense of the public opinion.

¹See Frank L. Kluckhohn, The Mexican Challenge, New York: Doubleday/Garden, 1939, p. 79.

⁶See Hans-Jürgen Schröder, "Die 'Neue Deutsche Südamerikapolitik,' Dokumente 1934-1936," Jahrbuch für Geschichte von Staat, Wirtschaft und Gesellschaft Lateinamerikas, No. 12 (1975), pp. 408-433.

Chapter 2

Germany and Mexico Until 1936: Economic Cooperation and Political Confrontation

In contrast to other European nations and the United States, Germany had never pursued an openly imperialistic role in Mexico and Central America. Therefore German direct political influence did not exist and cultural ties were limited. The Zimmermann note of 1917 can be seen as an accident or exception.¹ Despite German involvement during the violent stage of the Mexican Revolution,² official ties were rather loose. The fact that neither side considered establishing an embassy instead of a legation emphasizes this political laissez-faire, even though Mexico always stressed publicly her good relations with Germany during the 1920's, probably in order to determine its "self

¹See Frank L. Kluckhohn, The Mexican Challenge, New York: Doubleday/Doran, 1939, p. 79.

²See Friedrich Katz, Deutschland, Diaz und die mexikanische Revolution: Die deutsche Politik in Mexiko 1870-1920, Berlin-Ost: Deutscher Verlag der Wissenschaften, 1964.

preservation" against the "Colossus of the North."³

The cultural relations between the two countries were also rather modest. Since German emigration to Mexico was very small, direct influences of German civilization were limited. However, Mexico always displayed a certain respect, sometimes even admiration for Germany. Leaving aside Germany's rich tradition, one reason was the advanced status of German research about Mexico, carried forward by scholars such as Walter Lehmann and Konrad Theodor Preuss. Moreover Mexico appreciated the capability of Germans to accommodate: the small German colony adapted "the most" to the circumstances of language and customs, as the Mexican minister in Berlin, Pascual Ortiz Rubio, remarked in 1924.⁴ In sum, cultural exchange was very limited and causing little friction. Xenophobia was rarely displayed towards Germans in Mexico.

On the other hand, trade relations were more lively and complementary: while Germany delivered capital goods and pharmaceuticals, Mexico sent raw materials: petroleum, zinc

³Ernest Gruening, Mexico and its Heritage, New York: Greenwood Press, 1968 (1st ed. 1928), p. 553.

⁴Klaus Volland, Das 3. Reich und Mexico, Frankfurt/Bern: Lang, 1976, p. 23.

and lead plus agricultural products. During the four decades between 1897 and 1934 Mexico's exports contributed only to an average of 0.5% of Germany's total imports, which was not more than what the exports to Germany by Guatemala, Mexico's much smaller southern neighbor, exported to Germany. In contrast, Germany's exports to Mexico accounted for second or third rank (behind the United States and England) in Mexico's import/export trade. These mutual economic interests nourished the friendly relations up to 1935.⁵

Hitler's "Machtübernahme" (seizure of power) on January 30, 1933 initially did not change this harmonic economic cooperation. His often quoted statement "If we had Mexico, our problem would be solved" and other remarks concerning imperialistic intentions with Mexico or Latin America originate from Rauschning's books.⁶ They are of limited

⁵See Theodor Schieder, *Hermann Rauschning's "Gespräche mit Hitler" als Geschichtsquellen*, *Opuscula Historiographica*, 1971. See also Volstead pp. 29-42.

⁵Wilhelm Bast, "Mexico und die deutsche Einfuhr in vier Jahrzehnten (1897-1936)," Zeitschrift für Erdkunde 5, 1937, p. 549.

⁶Hermann Rauschning, Danzig's Senate President in 1933 and former advisor to Hitler. See e.g. Gespräche mit Hitler, Zürich/Wien/New York: Europa Verlag, 1940. This book was an effort to activate against the Nazi threat.

value. First, the authenticity is not guaranteed⁷ and secondly, their historical value is dubious in light of Hitler's megalomania. Hitler's main and more "real" interests concerning "Lebensraum," as documented in Mein Kampf, always focused on the expansion to Eastern Europe. Even the United States played a minor role in his strategic deliberations until 1941.⁸

In 1933, important personal changes took place in the German Foreign Office. Freiherr Heinrich Rüd̄t von Collenberg-Böd̄igheim (short: Rüd̄t), a convinced National Socialist, became the minister of the German legation in Mexico City.⁹ In Berlin, in the Department III of the Foreign Office, which was responsible for Mexico, the employees adapted the new ideology. It is worthwhile to

⁷See Theodor Schieder, Hermann Rauschnings "Gespräche mit Hitler" als Geschichtsquelle. Opladen: Westdeutscher Verlag, 1972. See also Volland pp. 29-42.

⁸See Gerhard L. Weinberg, "Hitler's Image of the U.S.," The American Historical Review 69, 4, July 1964, pp. 1006-1021.

⁹The chief of the AO, the foreign organization of the Nazi Party, praised Rüd̄t as a very reliable party member in a letter to Rudolf Hess, the party's ideological watch dog. See Bohle to Hess, Nov. 15, 1933. Cited in Reiner Pommerin, Das 3. Reich und Lateinamerika, Düsseldorf: Droste, 1977, pp. 36f.

mention that Hermann Davidsen, the economic coordinator ("Referent") for Mexico, was a true expert with a deep understanding of Mexico, as the documents reveal.

The world-wide depression required a new foreign trade strategy, in particular in regulating balance of payments. Germany's "New Plan" (1934) promised the solution of this problem. It was designed by the Economics Minister Hjalmar Schacht in order to achieve autarchy.

For Latin America and its important raw materials the device of the "Askimarks" was implemented. Under this system, the German government allowed foreign firms to export goods to Germany and to receive payment into special foreigners' accounts (Aski), which could be used to purchase German goods.¹⁰ The London Economist commented: "Since Askimarks are always quoted at a big discount [up to 40%], this method amounts to one more of the many disguised forms of currency depreciation."¹¹

Moreover under Schacht's "New Plan" the German

¹⁰See Otto Nathan, The Nazi Economic System, Durham: Duke Univ. Press, 1944.

¹¹The Economist, Nov. 5, 1938.

government assumed control of all imports, in order to secure - with her limited foreign exchange - the largest possible amount of foreign raw materials for her armament industry. In selecting imports, she followed a policy of bilateral balancing with countries whose trade balance with it was active. This practise was the main factor in causing the U.S. and England to loose a considerable part of its export trade in Latin America to Germany, which naturally led to harsh criticism in U.S. business circles.¹² The distribution increase of German imports in Latin America can be traced in the following table:

1938, p. 375.

Mexico entered the Aski system in the fall of 1934 and showed interest to use this bilateral barter system for her own Six Year Plan. With Lázaro Cárdenas in office (1934-1940) the policy of industrial development was initiated.¹³ Thus trade relations were improved, with Germany sending machinery, while Mexico delivered mainly minerals. In May 1937 the new Mexican minister in Berlin, General Juan F. Escárzate, could announce to the Secretaría de Relaciones Exteriores that "the possibilities of German-
 _____ are magnificent." He continued:

¹²See for example Virginia Prewett, "Nazi Trade Invades Mexico," American Mercury 52, 1941, p. 336. A good summary provides Paul B. Taylor, "Problems of German-American Relations," Foreign Policy Reports, Vol. XIV No. 9, July 1938, pp. 98-108. See also chapter 8 in this book.

Imports of Nine Latin American Countries from Germany
(Percentages of total imports)

Country	1913	1929	1933	1937
Argentina	16.9	11.5	10.0	10.3
Brazil	17.5	12.7	12.0	23.9
Chile	24.6	15.5	11.4	26.0
Columbia	14.1	14.4	17.8	13.4
Guatemala	20.3	14.2	12.3	32.4
Mexico	13.1	8.0	12.3	15.6
Peru	17.3	10.0	10.3	19.7
Uruguay	15.5	10.2	10.3	19.7
Venezuela	14.4	9.2	11.4	13.6

Source: Percy W. Bidwell, "Latin America, Germany and the Hull Program," Foreign Affairs 17, 2, Jan. 1939, p. 375.

Mexico entered the Aski system in the fall of 1934 and showed interest to use this bilateral barter system for her own Six Year Plan. With Lázaro Cárdenas in office (1934-1940) the policy of industrial development was initiated.¹³ Thus trade relations soon improved, with Germany sending machinery, while Mexico delivered mainly minerals. In May 1937 the new Mexican minister in Berlin, General Juan F. Azcárate, could announce to the Secretaría de Relaciones Exteriores that "the possibilities of German-Mexican trade are magnificent." He continued:

¹³See James W. Wilkie, The Mexican Revolution: Federal Expenditure and Social Change since 1910, Berkeley: Univ. of California Press, 1967.

No creo que haya en el mundo otros dos países que se complementen tan bien en sus producciones como Alemania y México. ... Alemania siempre necesitará nuestros minerales para su industria y para la guerra. Tales minerales de exportación mexicana como el cobre, plomo, antimonio, mercurio, grafito, manganeso, petróleo etc., son necesarios para la vida diaria de Alemania, y estratégicos para la guerra.¹⁴

Apparently both sides realized the quid pro quo under which the trade took place.

The consistent and flourishing cooperation in trade matters cannot be followed in political relations. Until 1936, both sides respected the other's form of nationalism. With the break of Cárdenas and Calles in June 1935 a change was foreshadowed. The defense and containment of the Callistas' influence resulted in a coalition between Cárdenas and the labor movement. This coalition was manifested in the CTM under the leadership of Vicente Lombardo Toledano and enabled Cárdenas to pursue a state socialism, favoring strikes, land redistribution programs and public funds for industrialization projects. Cárdenas opposed liberal capitalism, but he also supported certain bourgeois groups and accepted certain principles of capitalism under the condition the state could regulate free

¹⁴My emphasis. Quoted from Volland, pp. 235f.

enterprise and - say - labor rights.¹⁵ Then Shulgovski's thesis that Cárdenas tended to a realization of the Soviet economic system is an exaggerated view.¹⁶ The integration of leftist groups in his government was essential for his struggle against Calles and the realization of his own state socialism, based on the Mexican condition and the constitution.

Hence the elimination of the Callistas only provided the condition for a political divergence between the Reich and Mexico. The more fundamental reason of the confrontation, but not a break, was then the rising expansionistic and external power politics of Germany. In particular, the Civil War in Spain put both countries in opposite camps. Cárdenas, together with the Soviet Union, supported the Republican Azaña government, while Germany sided with General Franco's Falange. The details will be treated in a

¹⁵Cárdenas supported class struggle. Ramón Beteta emphasized this in a speech about the Six Year Plan of the PNR: "... two social classes created by the right of private property: those who possess the instruments of production, and the proletariat. In this struggle the party does not remain neutral, but frankly decides in favor of the workers..." in Ramón Beteta, The Mexican Revolution: a Defense, Mexico City: DAPP, 1937, pp. 44f.

¹⁶Anatol Shulgovski, México en la Encrucijada de su Historia, México, D.F.: Ediciones de Cultura Popular S.A., 1968, p. 214.

later chapter, but to anticipate the result, it can be said that the quality of both countries' support for Spain was essentially different. Mexico's help mainly consisted of moral support, while Germany invested a considerable amount of war material and later even sent the legendary "Legion Condor." On the other hand, the number of Mexican volunteers and her material support was comparatively small. However, Mexico's moral obligation to side with Spain's Republicans was clear for Cárdenas from the beginning. He noted in his diary:

El gobierno de México está obligado moral y políticamente a dar su apoyo al gobierno republicano de España, constituido legalmente y presidido por el señor don Manuel Azaña.¹⁷

The opposite official position in Spain's Civil War was the main root of political disturbances, because both sides were actively involved. Other incidents, which took place in both countries' local spheres, were handled with more tolerance. Dr. Leonides Andreu Almazan, the brother of the presidential candidate Juan in 1940, commented from Berlin in April 1936 to his Foreign Office in Mexico about the remilitarization of the Rhineland:

... el acto de remilitarización de la zona renana,

¹⁷Lázaro Cárdenas, Apuntes, Vol. I, México: Universidad Nacional Autónoma de México, 1972, p. 355.

moralmente no puede ser considerado mas que como la recuperación por parte del Reich de la plena soberanía sobre todo su territorio... Lo que sí es atacable ... es el rompimiento de los tratados, cuyo carácter sagrado obligaba a Alemania a buscar otro procedimiento... Tambien es atacable en todos sentidos la política internacional alemana, consistente en hacer constantemente ofrecimientos de paz y de mutuo entendimiento y no cumplirlos...¹⁸

On the other hand, the German legation also kept out of Mexico's internal affairs. Germany's minister Rüdert constantly reported about Mexico's political position to the German Foreign Office in Berlin,¹⁹ but the documents do not indicate any official complaints to Mexico's government. Only in one case, when a German company ("El Anfora") was harrassed by a strike wave in the mid 1930's, the legation referred the case to the Mexican administration. Foreign Minister Eduardo Hay personally apologized and promised to resolve the problem.²⁰

¹⁸Almazán, Mexican legation in Berlin to SRE, April 6, 1936. Quoted from Volland pp. 231f.

¹⁹All documents are identified with their date and microfilm number from the Records of the German Foreign Office (AA), Economic Policy Department IXa, Petroleum Mexico. For a political report for the year 1936, see Georg Ahrens to AA, August 22, 1936, E 416120-22.

²⁰Report of the commercial attaché Burandt to AA, Dec. 14, 1936.

Overall, the inherent political concepts of Cárdenas' Mexico -- democratic state socialism, Pan and Latin-Americanism and anti-fascism -- did not influence trade relations. In fact, the economic cooperation provided continued diplomatic relations. The editorial in El Nacional commented at the end of 1936 very positively about barter deals with Nazi Germany.²¹ This was the case despite the clear indications of aggressive fascism such as in Spain, Japan's attack on China, Italy's invasion of Abyssinia and the formation of the AntiComintern pact.

The increased economic ties and their underlying compensation concept can be followed by the balanced terms of trade:

Year	German imports from Mexico (in millions of Reichsmark)	German exports to Mexico (in millions of Reichsmark)
1935	38.1	34.0
1936	56.4	51.1
1937	64.5	65.7

Source: Volland, p.79.

The table indicates that both the German exports to Mexico and the German imports from Mexico rose in value more than

²¹El Nacional, editorial, Dec. 15, 1936.

60% in the three years between 1935 and 1937. Simultaneously, the trade values were balanced, thus succeeding in the purpose of Schacht's New Plan. The trade increase took place despite the rising political tensions in Europe. Thus a trend to isolate political considerations from economic necessities crystallized in trade matters, a technique, which was even more used in the Mexican oil sales to Germany in 1938 and 1939. This will be the topic of the next chapter.

European countries received around 70% of their energy from coal.¹ Petroleum's importance in the form of gasoline was reflected in the development of the car industry and served as fuel for diesel engines and as a heat energy source. Since Europe's consumer car industry was relatively underdeveloped, at least compared to the U.S., oil had its particular significance in the military realm. Hence oil was Germany needed this natural resource as fuel for military vehicles (tanks, jeeps etc.), for its airforce and especially for the diesel engines of its ships and submarines. Mexico's heavy oil was in particular useful as diesel fuel and hence the German Navy was very interested in it. Thus oil was, despite its overall industrial

¹Richard L. Gordon, The Evolution of Energy Policy in Western Europe, New York: Praeger, 1970, p. 18.

Chapter 3

Fruitless Negotiations about German Oil Concessions

in Mexico: 1936 - 1938

Petroleum in the 1930's did not have the significance which it has today. Even as late as 1950, some West European countries received around 90% of their energy from coal.¹ Petroleum's importance in the form of gasoline was reflected in the development of the car industry and served as fuel for diesel engines and as a heat energy source. Since Europe's consumer car industry was relatively underdeveloped, at least compared to the U.S., oil had its particular significance in the military realm. Hence oil-poor Germany needed this natural resource as fuel for military vehicles (tanks, jeeps etc.), for its airforce and especially for the diesel engines of its ships and submarines. Mexico's heavy oil was in particular usable as diesel fuel and hence the German Navy was very interested in it. Thus oil was, despite its overall industrial

¹Richard L. Gordon, The Evolution of Energy Policy in Western Europe, New York: Praeger, 1970, p. 18.

insignificance, of vital importance of Hitler's rearmament program after 1933.

Germany's attempts to obtain direct petroleum supplies from Mexico took place, unsuccessfully up to 1938, through two channels: first, middlemen tried to secure Mexican oil to Germany. Here the most notable role was played by the American business man William Rhodes Davis. His successful mediation will be treated later in this chapter. Secondly, Germany's naval high command (OKM) and the ministry of the army (RWM) directly attempted to achieve oil concessions in Mexico.

Direct German Negotiations with Mexico for Oil Concessions or Participation Projects

The Reich's main reason for direct cooperation with Mexico's government was to achieve a diversification of energy sources and thus enhanced independence from other oil suppliers such as:

- Standard Oil and Royal Dutch Shell²
- W.R. Davis
- the Near East. Here the implicit difficulties of

²See L.O. Prendergast, "Press War on Mexico," Nation 147, Sept. 3, 1938, pp. 222-225.

British control over the Suez Canal were considered.

Moreover it became apparent that the autarchy efforts, as documented in the "New Plan" were unrealistic in the case of oil.³ But by far the most salient advantage of direct negotiations was the possibility of barter deals.⁴

Initially, the negotiations about various projects were informal. For example, at the end of 1936, the transfer of all concessions of the Milmo family at the Rio Bravo del Norte failed. The chief command of the Navy (OKM) saw too many transportation problems (500 km to the Atlantic coast) and an insecurity in regard to the petroleum's quality.⁵ Therefore, the OKM advised to search for already "developed oil pools and good transport possibilities."⁶

In early 1937, former President Francisco León de la Barra, then ambassador to France, had asked the German

³Otto Nathan, The Nazi Economic System, Durham: Duke Univ. Press, 1944, p. 43.

⁴Clemm (Hardy bank, the German representative of Davis) to Wilhelm Keppler (economic advisor of Hitler), Aug. 9, 1936.

⁵Bastian (OKM) to AA, March 19, 1937.

⁶Ibid. *Arnold Davidson, Sept. 14, 1937.*

embassy in Paris for information on whether a German company would be interested in participating in drillings in Mexico's national oil fields.⁷ This idea of private German participation, however, was rejected by the RWM.⁸

In March 1937, with the new founded Administración General del Petróleo Nacional (AGPN), the successor of Petromex, new possibilities were opened. The goal was now to achieve results with official Mexican oil institutions. AGPN's director Manuel Santillán and the director of the German Dresdner Bank, Karl-Ernst Erk, as Germany's official representative soon assured cooperation. The bank was responsible for the creation of a company (Gesellschaft für Überseeische Bergbauliche Unternehmungen) which was designed for participation in oil projects with the AGPN.⁹

Erk and a German geologist, Professor Alfred Bentz,

⁷Report Wolf (German embassy, Paris) to AA, Feb. 22, 1937.

⁸Klaus Volland, Das 3. Reich und Mexico, Frankfurt/Bern: Lang, 1976, p. 89.

⁹Dossiernote Davidsen, Sept. 14, 1937.

travelled to Mexico in September 1937.¹⁰ Soon, Santillán and Erk agreed about negotiations of three projects, of which the AGPN was in charge:

1. "El Plan" at the Isthmus of Tehuantepec
2. "Tronconces y Potrerillo," south of the Poza-Rica district
3. "Ojital y Potrero," also south of Poza-Rica.¹¹

As Professor Bentz explained in his report, the foreseeable contract provided that both parts, the German company and the AGPN, would share the costs. Then, a regalía (royalty) had to be paid in oil to the AGPN, and the rest would be split between the companies. Thus, the rights on development and exploitation would be "practically equivalent to a concession."¹² Further negotiations then revolved over the percentage of the royalties. Erk imagined 10% as reasonable, while the AGPN thought that a 20 - 45% royalty of the exploited oil would be adequate. Apparently the recent contract with the Aguila, a Shell subsidiary, which provided

¹⁰Kluckhohn, the New York Times reporter in Mexico, made one person out of Erk and Bentz. See Frank L. Kluckhohn, The Mexican Challenge, New York: Doubleday/Doran, 1939, p. 110.

¹¹See Volland, pp. 92f.

¹²Bentz to AA, Nov. 10, 1937.

between 15 - 35% royalties (according to the richness of the oil field), was used as a blueprint for the AGPN's bargaining position.¹³

Erk's efforts proved to be fruitless. Henceforth the change of Mexico's oil politics are mainly responsible. In mid-November, Santillán had concluded a major oil agreement with British interests (El Aguila) which announced a pooling arrangement allowing the government a share of oil production in return for confirmatory concessions in its rich Poza-Rica fields. Even though Santillán personally assured Erk that their contract "would be concluded next or second next,"¹⁴ no agreement was accomplished. The minister of the German legation Rüd̄t "even believed that the British success is to be welcomed, since it can serve to encourage German projects in Mexico."¹⁵

This "new orientation of the Mexican petroleum policy"¹⁶

¹³See Frankfurter Zeitung, "Mexikos Pakt mit der Shell," Nov. 25, 1937.

¹⁴Erk to Pilder, Dec. 12, 1937.

¹⁵Rüd̄t to AA, Nov. 25, 1937, E 416564.

¹⁶Frankfurter Zeitung, Nov. 16, 1937.

did not materialize. The Aguila contract provoked criticism by the labor union and in particular of its eloquent leader Toledano.¹⁷ As Erk put it, a German company must "affect Lombardo Toledano ... like a red cape affects a bull."¹⁸ Even though on February 24, 1938 Cárdenas empowered Santillán to conclude the Isthmus contract (with regalía of 20%), time ran out: On March 18, 1938 Cárdenas pronounced the nationalization of Mexican oil, which ended all prospects of German participations or concessions of Mexico's oil resources. On April 6 Rüd't cabled to Erk who was in La Paz: "Santillán informed [that] President [Cárdenas] has recommended to suspend Isthmus contract. Suspension can be 14 days but also 2 years." Erk reacted with frustration: "I have to admit that this cable hit me hard, since my ... work of 5 months [is now] for nothing."¹⁹

Mexico's main motive to integrate Germany in its oil industry before the nationalization is best summarized in Rüd't's report from December 14, 1937. The Mexican efforts attempted "to contain the dominating American economic

¹⁷See for example El Nacional, end of November 1937.

¹⁸Erk to Pilder, Dec. 12, 1937.

¹⁹See Dresdner Bank to Davidsen, AA, February 22, 1938 (E 416816) and March 25, 1938 (E 416842).

influence."²⁰ The Aguila contract also has to be seen from this standpoint. The U.S. accounted for about 62% of total oil world production at that time, while the British had a substantial share of the rest.²¹ Mexico's cooperation with Germany in oil projects thus indicated her desire "to create a certain counterbalance against the overwhelming English and American oil interests in Mexico."²² But direct German contacts with Mexico was not the only inroad for Mexico's oil. An important intermediary role in this respect was played by the American businessman William Rhodes Davis.

W.R. Davis and His Connections to Germany Until 1938

In the mid 30's Davis controlled a complicated consortium of oil companies and enjoyed good financial sources through the First National Bank in Boston. He owned several marketing and production firms in England, Sweden, Germany, Mexico and the U.S.²³ In Hamburg for example Davis owned the refinery "Eurotank."

²⁰Rüdt's emphasis. Rüdt to AA, Dec. 14, 1937, E 416641.

²¹Münchener Neueste Nachrichten, March 24, 1938.

²²Volland, p. 100.

²³Clemm to Keppler, Aug. 9, 1936.

The role of Davis up to 1938 is still unclear. Sure is only that "the economic ambassador" - as he perceived himself²⁴ - had informal contacts with German high officials in the RWM since 1934.²⁵ His reputation in the U.S., Mexico and Germany may be best described as a mixture of disgust and admiration. Nobody fully trusted him, but his international connections made him very valuable. Rüd't raised doubts about Davis' "reliability and honesty" and described him as "an optimist, who prefers to believe, what he desires and [who] perceives proposals as accepted, when they are not refused abruptly."²⁶

Davis' various projected barter deals between Germany and Mexico were not realized in the period between 1936 and beginning 1938. Davis planned a "three corner business:" Germany would exchange drilling and railroad equipment for Mexican oil. The petroleum was supposed to be refined in Davis' Eurotank in Hamburg and then to be distributed to Ireland, Italy and other countries. The profit then was

²⁴Rüd't to AA, June 11, 1937, E 416195-99.

²⁵Volland, pp. 83f.

²⁶Rüd't to AA, June 11, 1937, E 416195-99.

projected for purchases of U.S. cotton by Germany.²⁷ This business never materialized. Also the German commercial attache, Hans Burandt, opposed Davis' proposals such as German electricity installations against oil, pipelines against rice, and German industrial goods against cotton and iron ore.²⁸

Burandt knew that both, Finance Minister Eduardo Suárez and President Cárdenas personally, disliked Davis.²⁹ At the end of 1936 "the oil mystery man"³⁰ was responsible for the "Sabalo affair." The formation of the Mexican Sabalo Transportation Co. - together with the American Sinclair company - in early 1936 had involved bribery of high Mexican officials, which finally led to the resignation of the president of Petromex, Ortiz Rubio.³¹ The scandal had aroused the Mexican public and did not improve the

²⁷ Ibid.

²⁸ Burandt to AA, June 11, 1937, E 416205.

²⁹ Burandt to AA, June 11, 1937, E 416205.

³⁰ Tulsa Daily World, May 3, 1938.

³¹ Ortiz Rubio, by the way, had been the Mexican minister in Berlin in the mid-20's. See Volland, p. 85.

reputation of Davis in Mexico.³²

The German legation also took a critical stance toward Davis' assertions that he had "ties with important personalities in the German government," in particular with Hjalmar Schacht, the president of the Reichsbank (1933-1939) and Minister of Economics (1934-1937), and the Führer himself.³³ A quick survey in the Reichskanzlei (Reich office) of Hitler revealed that "Herr Davis is not documented among the persons, who were received ... by the Führer."³⁴ However, the economic coordinator for Mexico, Hermann Davidsen, remarked that "it is, of course, possible that Davis was introduced to the Führer at a different opportunity."³⁵ In any case, Davis in general tended to exaggerate his connections with high political officials. This fact probably attributed to the ironic labeling of Davis by the American press as "Little Caesar."

Nevertheless Davis channeled petroleum through Eurotank

³²See El Nacional, December 1936 issues.

³³Rüdt to AA, June 11, 1937, E 416195-99.

³⁴Davidsen note of July, 24, 1937.

³⁵Ibid.

to the German Navy and allegedly to the Air Force.³⁶ But most of these supplies derived from American sources, since the Sabalo affair ended Davis' eager plans to deliver more oil from Mexico. The Navy was then the best customer of Davis, and their working relationship was apparently close. Whenever oil and Davis were mentioned together, the Navy showed a vital interest. But as Dr. Friedrich Fetzner, the commissioner of the high command of the Navy (OKM), emphasized: "German oil interests in Mexico must be treated with highest confidentiality."³⁷ Thus the Navy's oil purchases were regarded as an independent business of the free market and not as official deals with the Mexican government with Davis as mediator, which was in fact undesired at this point in time. Hence the Navy expressed satisfaction with Davis' Eurotank supplies, because he delivered regularly and under the world market price,³⁸ but the Navy also desired to keep the matter confidential.

In September and October 1937 German officials, like Erk, who were interested in Mexican oil and were already

³⁶Rüdt to AA, June 11, 1937, E 416195-99.

³⁷Rüdt to AA, May 12, 1938, E 417324-27.

³⁸Bastian (OKM) to AA, June 19, 1937.

negotiating, stated that informal and friendly ties should be maintained with Davis, because "in times of emergence [he] could be useful."³⁹ As we will see below this proved to be a wise prediction. Yet, the German legation was advised to keep Davis away from oil deals between Germany and Mexico. Taking Rüd't's opinion about Davis into account, this advise was surely superfluous.

Thus, in conclusion, direct oil concessions between the German and Mexican government did not materialize. The pending negotiations were suspended when Cardenas announced the nationalization of the oil industry. On the other hand, the American businessman Davis continued to supply Germany, and especially the navy, with Mexican oil. These sales were considered as free market business. Soon, however, the nature of these oil sales changed. Since Mexico faced the boycott of the American oil companies, she was forced to sell the bulk of her oil to Germany. In this context, Davis served as an important connecting link between the German and Mexican government. The development of these events and the nature of the resulting oil contracts will be now examined.

³⁹ Davidsen note of Sept. 14, 1937.

Chapter 4

Mexico's Oil Supplies to Nazi Germany in 1938 and 1939

On March 18, 1938 President Cárdenas announced the oil expropriation of the British and American oil companies in Mexico, after a wage dispute between the companies and their workers could not be resolved.¹ The reasons for the nationalization were clearly domestic, "for the dignity of Mexico" and "in defense of her sovereignty," as Cardenas himself put it.² Nevertheless Cardenas chose the date in accordance with an externally favorable constellation. After a meeting with close advisors he noted in his diary Apuntes on March 10, 1938:

Hicimos consideraciones de las circunstancias que podrían presentarse si gobiernos como el de Inglaterra y Estados Unidos, interesados en respaldar a las empresas petroleras presionaban al gobierno de México con medidas violentas, pero

¹For a relatively unbiased contemporary account see: Charles A. Thomson, "The Mexican Oil Dispute," Foreign Policy Reports, Vol. XIV no. 11, Aug. 15, 1938, pp. 122-133.

²Lázaro Cárdenas, Apuntes, Vol. I, Mexico, D.F.: Universidad Nacional Autónoma de México, 1972, p. 355.

tomamos también en cuenta que se presenta ya la amenaza de una nueva guerra mundial con las provocaciones que desarrolla el imperialismo nazi-faszista y que esto los detendría de agredir a México, en el caso de decretar la expropiación.³

On March 13 Germany announced the "reunion of Austria with the Third Reich" (Anschluss), which may be the "circumstance" Cárdenas had waited for. He knew that the German menace against the balance of power in Europe plus the Good Neighbor policy - so well established by U.S. ambassador Josephus Daniels - would prevent any U.S. military action and would strengthen the bargain position for Mexico.

The expropriation, however, was not a planned plot between Germany and Mexico, as Shulgovski asserts.⁴ First of all, Cárdenas condemned the annexation of Austria as "desbordamiento imperialista" and called it ironically Hitler's "hazaña."⁵ Moreover the president's position was manifested in the League of Nations in Geneva. Mexico was

³Ibid., p. 388.

⁴Anatol Shulgovski, México en la Encrucijada de su Historia, Trans., México, D.F.: Ediciones de Cultura Popular S.A., 1968, p. 368.

⁵Apuntes, p. 390.

the only member who protested on March 19 "contre l'aggression exterieure dont la République d'Autriche vient d'être victime ..."⁶ Also Rüd't's report from March 21, 1938 confirms the non-involvement of the Reich: "The Mexican protest in Geneva against the Anschluss of Austria ... was caused by internal domestic motives [which] do not touch German-Mexican economic questions."⁷

Secondly, Mexico's political importance for Germany was of minor significance. The voluntary cooperation between Mexico and her oil problems, and Hitler's massive rearmament projects is just uncombinable in view of the fundamental difference of their political credos. This fact is also true for the later oil deal between the two countries through the intermediary Davis. Only pragmatism forced by Mexico's isolated petroleum industry fostered the economic cooperation which Cárdenas only reluctantly followed. Thus Cárdenas' timing can at best be seen as an opportunistic move in the interest of Mexico.

Soon after the expropriation, the British and American

⁶Klaus Volland, Das 3. Reich und Mexico, Frankfurt/Bern: Lang, 1976, p. 111.

⁷Rüd't to AA, March 21, 1938, E 416932.

oil companies boycotted the Mexican oil.⁸ The two Anglo governments quietly backed the companies' efforts, even though Secretary of State Cordell Hull did not "question the right of Mexico ... to expropriate properties within its jurisdiction."⁹ Since Standard Oil of New Jersey and the Royal Dutch Shell controlled 83% of the world tonnage of oil at that time, two questions immediately arose for Cárdenas: first, how could Mexico export her petroleum; and secondly, who would buy it?

Shortly after the nationalization, Cárdenas sent a high Mexican official directly to France to try to negotiate an agreement on oil with the French government. But the French declined because of opposition by the British government, France's ally.¹⁰ Mexico also attempted to sell her petroleum products in Latin America. Extensive negotiations were

⁸See e.g. David E. Cronon, Josephus Daniels in Mexico, Madison: Univ. of Wisconsin Press, 1960. For the extent of the boycott see Merrill Rippy, Oil and The Mexican Revolution, Leiden: E.J. Brill, 1972, pp. 226-235. The best summary gives Lorenzo Meyer, Mexico and the United States in the Oil Controversy 1917-1942, Trans. Muriel Vasconcellos, Austin/London: Univ. of Texas Press, 1977, pp. 200-213.

⁹Department of State, Press Releases, April 2, 1938. Cited in Thomson, p. 128.

¹⁰Rippy, pp. 252f.

carried out to this end with the ABC-countries, Cuba, Paraguay, Uruguay and the Central American countries.

However,

... these initiatives ran up against interference by the State Department and the American [oil] companies ... [succeeding] in preventing agreements. ... They temporarily lowered the prices of their own products in order to undercut and thereby shut out the Mexican industry.¹¹

Moreover the boycott was extended to cut off Mexico's supply of the indispensable materials to keep the oil industry running. In this situation, Mexico turned to Germany, because it could "not very well dump the oil into the sea from sheer idealism."¹²

The German administration and the high command of the army (RWM) reacted cautiously; thus reported the "coordinated" German press.¹³ Minister Rüd̄t duly reported about the difficulties of the Mexican oil industry and her lack of tankers. But he failed to analyze Mexico's attitude correctly, when he asserted that "the President [Cárdenas]

¹¹L. Meyer, pp. 202f.

¹²Verna Carleton Millán, Mexico Reborn, Boston: Houghton-Mifflin, 1939, p. 214.

¹³See Deutsche Allgemeine Zeitung, April 2, 1938 and Frankfurter Zeitung, March 22, 1938.

has no compunction to supply Germany with oil."¹⁴ Rüd't's lack of understanding of Mexico's politics is probably the reason that most decisions were made in Berlin, while his proposals were consistently neglected.¹⁵

On May 13 the economic expert for Mexico, Davidsen, sent a telegram to the German legation which outlined the German policy - in accordance with the RWM - for Mexican oil: "1. On principle no cash for oil available ... only in barter. 2. ... Davis received \$ 200.000 for oil delivery Eurotank. ... 4. ... official steps with the Mexican government not desirable."¹⁶ The telegram indicates that Germany should limit official contacts and that it preferred indirect receipt of oil through Davis. In a meeting of representatives of RVM, RWM and the Navy on May 30, 1938 this cautious tactic was again manifested. "No renunciation of the Mexican market, but only cooperation of mere business aspects," Davidsen noted in a summary.¹⁷

¹⁴Rüd't to AA, April 30, 1938, E 417219.

¹⁵Even after the expropriation, for example, Rüd't still believed in the achievement of the Isthmus project.

¹⁶Telegram Davidsen to German legation, Mexico City, May 11, 1938, E 417239.

¹⁷Summary Davidsen, May 30, 1938, E 417356.

Two considerations probably caused this attitude. On the one hand, the responsible administrators in Berlin were afraid of external complications in case their ties with Mexico became too strong. On the other hand, the strong position of Shell and Standard Oil on the German market had to be taken into account. In particular, the Navy was dependent on the almighty oil companies' deliveries. In June Standard Oil even asked the RWM whether "Germany would follow their boycott."¹⁸ The economics ministry assured them with the vague agreement that Germany would only import Mexican oil for the "most urgent needs."¹⁹

Mexico, however, had no time to be cautious. If she did not want to drown in her oil, Mexico had to look for other markets (preferably of democracies) besides the traditional American and British ones. As shown above, these efforts failed vis a vis the ubiquitous influence of the American companies. Thus, even though Mexico had "no relations or sympathy with fascist countries and would not willingly sell to them,"²⁰ Mexico soon was forced to do so.

¹⁸RWM to AA, June 23, 1938, E 417356.

¹⁹RWM to AA, July 13, 1938.

²⁰Telegram Daniels to Hull, no. 63, March 21, 1938. In FRUS 1938, Vol. V, p. 728.

On April, 4 the director of Cia. Exportadora del Petr leo Nacional (the marketing division of PEMEX), Espinosa Mireles, asked the German commercial attach  Burandt whether Germany was interested in Mexican oil. R dt had confidentially described Mireles as "friendly to Germany." Mireles expressed his desire that eventual deals should be made by a non-German company.²¹ Three weeks later, however, Mireles offered Rekowski, the representative of the German oil import company Behr & Co. in Mexico, to take over the full authority of the Exportadora in Germany. According to R dt, Mireles intended to "eliminate all intermediaries and to sell the oil directly to German companies."

A direct contract between the two countries did not materialize. While Mexico was in time pressure to find customers for her oil, Germany approached Mexico's official oil representatives still with caution. In sum, the Reich's reasons were threefold. First, Germany had to balance her interests: on the one hand, it had to consider Shell and Standard Oil, on the other hand it attempted to attain a good bargaining position with Mexico, which would mean barter agreements: oil for German goods. Secondly, she had to consider her significant success in Latin America's

²¹R dt to AA, April 6, 1938, E 417115.

markets in the preceding years. An open policy at this point in Mexico would have provoked external complications, especially by the U.S.²² Finally, she had to take into account the domestic situation in Mexico. Direct contacts would have provoked leftist criticism, in particular by the labor union and Lombardo Toledano. Rüdts had repeatedly warned of him in his frequent reports about Mexico's internal situation. All these deliberations resulted in the conclusion to use Davis again.

The Davis Contracts with Mexico: Germany Receives Mexican Oil for Barter

The solution for both countries in this situation came with William R. Davis. After various efforts of other American and British businessmen had failed,²³ Davis met with Cárdenas in May 1938 and offered to manage the

²²See Hans-Jürgen Schröder, "Die Vereinigten Staaten und die national-sozialistische Handelspolitik gegenüber Lateinamerika 1937/8," Jahrbuch für Geschichte von Staat, Wirtschaft und Gesellschaft Lateinamerikas 7, 1970, pp. 309-371. See also Chapter VIII in this book.

²³The British Francis W. Rickett and the North American Bernard E. Smith failed, because the British government had interfered, after Mexico and England had broken off ties on May 12, 1938 (see e.g. Kluckhohn pp. 135-7). Moreover the oil companies and the State Department pressured other nations not to buy any Mexican oil (see e.g. Lorenzo Meyer, pp. 200-209).

nationalized industry en gros, since the "mystery man" had already begun to ship successfully Mexican oil in the preceding months.²⁴ Despite Mexican objections against Davis because of the Sabalo affair, and because of her just achieved "economic independence," his international connections and his opportunity to get a tanker fleet favored his position. In mid-June Davis visited the RWM in Berlin, where he offered to sell Mexican oil for 40% in cash and the rest in goods. Even though the meeting on May 30 had stated to avert direct contacts with Davis, the RWM supported Davis' plans.²⁵ On June 20, 1938 Davis signed the contract with the Exportadora which Cárdenas approved on July 6.²⁶ Davis bought 12 million barrels of oil for \$ 10 million and was named PEMEX distributor for Europe.²⁷ Of the payment, 60% was to be received in machinery and products, largely from Germany and the rest would be in cash from Sweden.²⁸

²⁴See L. Meyer, p. 211.

²⁵Koppelman (RWM) to AA, July 13, 1938.

²⁶New York Times, July 7, 1938, p. 8.

²⁷Times (London), June 29, 1938.

²⁸New York Times, July 7, 1938, p. 8.

The reaction in the U.S. was anger. Soon a "relentless and ruthless squeeze" started on W.R. Davis by both, American oil companies and the British government.²⁹ The New York Times reported on October 24, 1938:

Authorization to list 253,450 common shares of the Panhandle Producing and Refining Company was withdrawn yesterday by the New York Stock Exchange. The ... shares ... were to have been delivered by the oil company to Davis Company, headed by William Rhodes Davis ... The King's Bench Division of the High Court of Justice in London decided on Monday a civil action against Mr. Davis, ruling that he had operated a scheme to defraud Carl Frederik Glad [a Danish businessman] ... In its decision it characterized Mr. Davis as 'an unscrupulous and ruthless financier.'³⁰

Askimarks were first used to control the barter deal. But in September 1938 a special account for Davis was established at the German-South American Bank in Berlin. The RWM wanted to assure that "only goods for oil production ... ordered by the Mexican government ... would be admitted."³¹

²⁹Betty Kirk, Covering the Mexican Front: The Battle of Europe vs. America, Norman: Univ. of Oklahoma Press, 1942, p. 172.

³⁰New York Times, October 24, 1938. Betty Kirk continued to defend Davis: "the British court [displayed] hypocritical righteousness" while the American oil companies "did not dare press their charges, because Davis threatened to expose their own dirty linen if they went too far." (Kirk, p. 173)

³¹Koppelman (RWM) to AA, 7 Sept. 1938, E 417597-99.

Davis was able to keep oil moving for the Mexican government with a fleet of chartered tankers, largely Scandinavian.³² Apparently Mexico was satisfied with Davis' efforts, since on December 8, 1938 a new contract was announced.³³ At this point the nature of the barter deal had changed. Since the considerable flow of petroleum to Germany could not only be compensated by goods for petroleum production, other industrial goods were now allowed to be shipped to Mexico.³⁴ Moreover, a portion of the deal was now paid in cash in dollars. A low price, however, was fixed for these cash payments in order to break the Standard-Dutch Shell boycott. In July and August 1939, about 50% of the sales to Germany was paid in cash amounting to \$ 500,000 in August.³⁵ Sometimes the oil found its way to Germany by detour: A small Texas company purchased Mexican oil to barter it to Germany for manufactured goods.³⁶

³²Frank Kluckhohn, The Mexican Challenge, New York: Doubleday/Doran, 1939, p. 138.

³³New York Times, 9 Dec. 1938.

³⁴Rüdt to AA, 15 Feb. 1939.

³⁵Merill Rippey, Oil and the Mexican Revolution, Leiden: E.J. Brill, 1972, p. 254.

³⁶Ibid., p. 146.

German fears that Davis could receive pressure from American banks or the U.S. government were not justified. The German embassy in Washington cabled on August, 20 that "the State Department [did] not cause banks to refuse credits to Davis for financing Mexican purchases." In particular, the "First National Bank in Boston still finances his [Davis'] business operations."³⁷

Soon the independent oilman had even bigger plans. At the end of 1938 he was buying oil from Mexico at a rate of more than a million dollars a month at 30% under the world market price. He planned to double this volume in 1939. Since August 1938 the Eastern States Co. in Houston was responsible for the refining of a good part of the exported Mexican oil.³⁸ In April 1939 Davis secured the German market through a contract with the German control office for oil (Überwachungsstelle für Mineralöl). The contract provided any German goods for direct compensation, while 40% could be used in Askimarks for U.S. exports.³⁹ About 2.25 million tons of oil supplies were planned for 1939, half of it

³⁷German embassy in Washington to AA, 20 August 1938.

³⁸Rippy, p. 138.

³⁹Volland, p. 146.

refined oil for gas and diesel. Again, the Navy had a special interest in these deliveries.⁴⁰

Germany's invasion of Poland on 1 September 1939 ended Davis' eager plans and the German bonanza. All his long term contracts were cancelled and most of his further attempts of 'continuous voyage,' that is to supply petroleum indirectly to Germany (e.g. through Italian harbors), failed.

Direct German Negotiations with Mexico

During 1938/9 German officials were eager to check Davis' business and later even attempted to establish direct negotiations with Mexico. Here an important episode which was confusing in the literature⁴¹ has to be clarified: the visit of Jens Schacht, the son of Hjalmar Schacht, to Mexico. Schacht, accompanied by an economic advisor (von Watzdorf), came to Mexico as a representative of Ferrostaal,

⁴⁰See Wilhelm Meier-Dörnberg, Ölversorgung der Kriegsmarine 1935-45, Freiburg: Rombach, 1973, pp. 29-49. According to the author, Hitler's increased attention towards England in 1938 resulted in the emergency "Z-Plan" of the Navy, which required increased oil supplies. (p. 29.) The futile efforts of achieving oil concessions in Mexico by the German Navy is described on pp. 39-41.

⁴¹See Kluckhohn, p. 139 and Shulgovski, p. 368. See also Josephus Daniels, Shirt-Sleeve Diplomat, Chapel Hill: Univ. of N. Carolina Press, 1947, p. 252.

a major German steel company. The RWM had chosen Ferrostaal as the centralized controlling agency and supervising commission for the barter deals. This interference was just an attempt to diminish Davis' importance in his intermediary role. For this reason, Schacht visited the German legation in May 1939.⁴² His efforts proved to be without success and in July 1939 the RWM dissolved the mission of Ferrostaal.⁴³

By mid-1939 the German government decided to do without the go-between and negotiate directly with Mexico. On June 22 a conference took place in the RWM. Rüd̄t who was at that time in Berlin also attended the meeting. It was decided to negotiate a direct contract with Mexico in case "Davis has trouble in Mexico." A more direct relationship was also favored by the director of the Distribuidora de Petr̄oleos Mexicanos, Jes̄s Silva Herzog. According to the commercial attach̄ Burandt, Silva Herzog was "a decisive advocate of direct [oil] business with Germany without the mediation of Mr. Davis."⁴⁴

⁴²R̄d̄t to AA, 20 May 1939.

⁴³Volland, p. 148.

⁴⁴Burandt to AA, 30 June 1939.

advisor to Cárdenas is never mentioned in his books.⁴⁵ Joachim G. A. Hertslet, a young economic expert, then became the German representative arranging direct German-Mexican agreements.⁴⁶ Hertslet traveled mid-July to Mexico. He soon negotiated with the Mexican Finance Minister Eduardo Suárez in August 1939 and was apparently successful. Rüdert noted in his diary that the negotiations "seem to take a favorable course."⁴⁷ A long term contract was planned and Suárez welcomed the direct solution in a confidential letter to Hertslet on August, 26. Probably the conclusion of the Hitler-Stalin pact three days before had led Suárez to the erroneous assumption that peace would last a little bit longer in Europe. Thus he perhaps feared that the bizarre pact between the two dictators could lead to oil supplies from oil rich Bolshevik Russia.

⁴⁵See Jesús Silva Herzog, Historia de la Expropiación del Petróleo en México, México, D.F.: Cuadernos Americanos, 1963; and Petróleo Mexicana: Historia de un Problema, México, D.F.: Imprenta Universitaria, 1938; and Lázaro Cárdenas: Su Pensamiento Económico, Social y Político, México, D.F.: Editorial Nuestro Tiempo, 1975.

⁴⁶Hertslet was not "second ranking man in the German Foreign Economic Ministry, as Rippey (p. 255) asserts.

⁴⁷Volland, p. 152.

Hertslet then left for New York at the end of August where he achieved an unexpected result: Davis transferred the full authority for his companies in Germany and Luxemburg to Hertslet.⁴⁸ Probably Davis had received knowledge of the direct cooperation efforts and wanted to secure his German oil market place. In any case, the outbreak of WW II finished all speculations. Direct German contacts with the Mexican government broke off and Davis' long term contracts were cancelled.

Germany was certainly Mexico's best customer during the period 1938/9. There is no reliable data available regarding how much oil Germany actually received. The amount of oil exported was about 40% less than the oil exported by the expropriated companies during 1937. Ruth Sheldon in the Gas and Oil Journal estimated that from 19 March 1938 to 31 March 1939 Mexican oil exports to England accounted for 34%, to Germany for 30%, to the U.S. for 19% and to Italy 10%.⁴⁹ This contrasts with the estimate of Josephus Daniels. Here Germany accounted for 48%, Italy 17%, and the U.S. for 20%

⁴⁸Davidson note, 14 Sept. 1939.

⁴⁹Ruth Sheldon, "Marketing Harasses Mexico Oil Industry Officials," Oil and Gas Journal 38, 1 June 1939, pp. 18-20.

(16% was reexported!).⁵⁰ In view of the British and American boycotts the later estimates seem to be more correct. It is unlikely that England accounted for one third of the total exports after the exchange of harsh notes between England and Mexico, leading to an interruption of the diplomatic relations. Moreover, the tough attitude of the Shell did not encourage more business. Thus it can be assumed that at least half of all Mexican exports went to Germany in 1938/9.⁵¹

The vital oil deals are well expressed in the number of barrels shipped to Germany. Germany took 2,441,498 barrels of Mexican oil in 1937, and despite Mexican production problems, Germany purchased 2,097,044 barrels in 1938.⁵² In 1939, due to enforced boycotts and the outbreak of the war it dropped to 1,498,383 barrels. German imports of gasoline from Mexico sharply rose from 11,900,000 metric tons in 1937

⁵⁰L. Meyer, p. 209.

⁵¹See also Volland pp. 154-6.

⁵²Silva Herzog, Petróleo Mexicana, p. 211. This notion contradicts his own statement that "lo que México vendió fue insignificante en comparación con lo que vendió la Standard Oil Co. de New Jersey." In Jesús Silva Herzog, Historia de la Expropiación de las Empresas Petroleras, 3.ed., México, D.F.: Instituto Mexicano de Investigaciones Económicas, 1964, p. 162.

to 40,400,000 metric tons in 1938.⁵³

The supplies were mainly delivered by Davis' hired tankers, many leaving from Houston (Eastern States Petroleum) and almost exclusively by barter. Direct cooperation between Germany and Mexico was on both sides desired, but not realized. But Davis' contracts made Morgenthau's and U.S. fears at the end of 1937 true: "We are just going to wake up and find inside of a year that Italy, Germany and Japan have taken over Mexico."⁵⁴ Morgenthau's remark also holds true in trade matters, which were, of course, directly linked with oil barter deals. While the U.S. share of trade with Mexico declined from 62.2% in 1937 to 57.7% in 1938, Germany's proportion rose from 16% to 19%.

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The Germans even secured Mexican official support. The U.S Consul in Tampico reported that government offices had

⁵³Rippy, p. 254.

⁵⁴Cronon, p. 176.

⁵⁵Whitney H. Shepardson and William Scroggs, The U.S. in World Affairs: An Account of American Foreign Relations, 1938, New York: Harper, 1939, p. 257. See also Chapter VIII in this manuscript.

been ordered to obtain only German supplies.⁵⁶ Only the outbreak of WW II ended further lucrative oil barter deals. Mexico's declaration of neutrality was not accompanied without hardships. For example, Mexico had made a contract with Germany to furnish rails to complete the railroad being built in the South of Mexico (state of Campeche), which were to be paid in oil. "Now," Cárdenas explained to Daniels,

we cannot get them and our work on that railroad awaits our ability to get them from some other country, though from Germany we could get them by barter. Not only the railroad construction must be halted but this means loss of employment, at least for the time being, for the men employed in the construction of the railroad. This is only one example of how the war affects people who have no connection with it and are remote from it.⁵⁷

In conclusion, Mexico supplied about half of her oil to Germany in the period between mid-1938 until the outbreak of war in Europe. At this point the hemispheric solidarity and the profound political differences prevailed over economic interests for the first time. Therefore the oil sales to Germany must be seen as a pragmatic move on behalf of Cárdenas. Germany was the only lucrative customer at the time, since the American oil companies - in alliance with

⁵⁶Kluckhohn, p. 71.

⁵⁷Daniels, p. 74.

the U.S. government - boycotted the Mexican oil. Thus Cárdenas was forced to sell to a country, whose political beliefs he did not share and rather despised. The next chapter will illustrate the antipathy of the Mexican president towards Nazi Germany and examine his subsequent actions against Hitler's ruthless policies and politics in Europe.

Cárdenas' antipathy toward fascists and dictatorships was well expressed in his New Year's message of 1938:

Owing to their own innermost nature, dictatorships have no right to assume unrestrictedly the direction of the internal life of peoples, as they could even seriously endanger the international equilibrium, by means of enterprises that may plunge the world into a new conflagration, to the great detriment of the conquests of civilization and progress, so painfully achieved by mankind.¹

Thus Cárdenas emphasized the protection of the Hemisphere from dictatorships, by which he certainly had in mind particularly the fascist ones. His ardent Pan-Americanism is proof of this credo.² But the Mexican president also did expand his concerns to outside the American continent. In this respect especially the forum of the League of Nations served to express Cárdenas' opinions of the fascist regimes'

¹Lázaro Cárdenas, New Year's Message 1938, México, D.F.: UNAM, 1938, p. 18.

²See Chapter VIII.

Chapter 5

Cárdenas' Attitude toward Hitler's

Power Politics and the Fascist Threat

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¹Lázaro Cárdenas, New Year's Message 1938, México, D.F.: DAPP, 1938, p. 18.

²See Chapter VIII.

power politics. Therefore, his representative in Geneva, Isidro Fabela stressed Cárdenas' commitment to comply with the "multilateral principles" of the League's constitution and to present the president's

firmeza de sus convicciones en defensa del derecho, especialmente cuando este derecho se referia a las pequenas potencias, victimas de las grandes que cuidaban y trataban de hacer valer solamente sus intereses propios aun contraviniendo la esencia del codigo creador y normativo de la Sociedad de las Naciones, con grave y constante peligro para la paz internacional.³

Indeed, as it is well known, Cárdenas firmly adhered to this conviction in word and deed, making Mexico one of the few League members that stood up to the fascist powers' self-assertive and imperial Machiavellianism.⁴ His specific attitude and actions against the Reich's violations of international law will be reviewed in this chapter.

³Isidro Fabela, La Política Internacional del Presidente Cárdenas, México, D.F.: Editorial Jus, 1975, p. 10.

⁴See for example Armando R. Pareyón, Cárdenas Ante el Mundo: Defensor de la República Española, Etiopía, Finlandia, África, Luchas Populares de Asia, México: La Prensa, 1973, and Luis Padilla Nervo, Las Relaciones Internacionales de Mexico 1935-1956 a través de los Mensajes Presidenciales, México, D.F.: Secretaría de Relaciones Exteriores, 1957.

The Spanish Civil War

Two months after the outbreak of the Spanish Civil War (July 1, 1936), Lázaro Cárdenas made clear which side he would actively support in the conflict. On September 1, 1936 he told Congress in his annual report:

El Gobierno de España solicitó de nuestro Gobierno, por conducto del Excelentísimo Señor Embajador Don Félix Gordon Ordaz, la venta de pertrechos de guerra, solicitud que fue atendida poniendo desde luego a su disposición en el puerto de Veracruz, 20.000 fusiles de 7 milímetros⁵ y 20.000.000 de cartuchos de fabricación nacional.

Soon Mexican volunteers followed Cárdenas' matériel support and joined the International Brigades of the Republican forces. On the other hand, Germany and Italy supported Franco's rebels. Thus German and Mexican soldiers met each other for the second time in a military conflict without being directly in a state of war.⁶ Cárdenas felt that, in supporting the legitimate Azaña government, he acted in accordance with the League's Pact as well as with

⁵Luis Padilla Nervo (prol.), Las Relaciones Internacionales de México 1935-1956 a través de los Mensajes Presidenciales, México, D.F.: Secretaría de Relaciones Exteriores, 1957, p. 21. Cited in Volland, p. 237, footnote 1.

⁶In the German-French war of 1870/71 Mexicans had fought with French troops.

the Havana Convention of March 29, 1928.⁷

Consequently, Cárdenas instructed Fabela in January 1937 to protest against the German and Italian violations of the League's stipulations:

Específicamente en el conflicto español, el Gobierno mexicano reconoce que España, Estado miembro de la Sociedad de las Naciones, agredido por las potencias totalitarias Alemania e Italia, tiene derecho a la protección moral, política y diplomática, y a la ayuda material de los demás Estados miembros, de acuerdo con las disposiciones expresas y terminantes del pacto.⁸

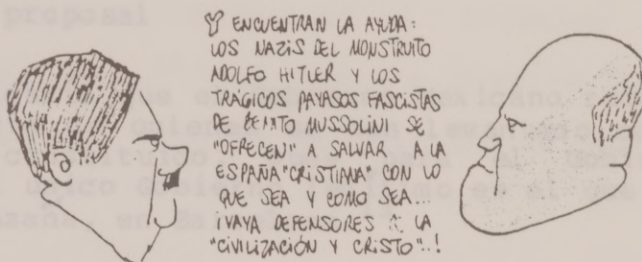
Moreover, Cárdenas asked Roosevelt to use U.S. influence "para hacer cesar la intervención de contingentes extranjeros en la lucha interna que sostiene el pueblo español."⁹ He pointed out that an intervention "por medio de gestiones" by the U.S. would shorten the rebellion and wane

⁷Isidro Fabela pointed out that Article 10 of the Pact called for action against external aggression was evident. On the other hand, Article III of the Havana Conference prohibited shipment of war supplies except to a legitimate government in the case where the rebels' belligerency had not been recognized. Fabela claimed this to be the case with Franco, and therefore Mexico was within the limits of the Havana Conference. See Memoria de SRE, September 1937 - August 1938, Vol. I, México, D.F.: DAPP, 1938, pp. 213f.

⁸Fabela, p. 10.

⁹Lázaro Cárdenas, Apuntes, Vol. I, México, D.F.: Universidad Nacional Autónoma de México, 1972, p. 370.

the haughty attitude that Germany and Italy would assume, if the rebels won.¹⁰



Source: Los Agachados de Rius, No. 95: Franco y Dios, S.A. (18 June 1972), p. 63.

In fact, before the 1937 U.S. Neutrality Act, the U.S. had sanctioned arms supplies to Spain and even offered the possibility of Mexico's buying U.S. arms for transshipment to Spain.¹¹ But this diplomatic front collapsed with America's neutrality declaration.¹²

¹⁰ Ibid.

¹¹ FRUS 1936, Vol. II, p. 530.

¹² See Cordell Hull, The Memoirs of Cordell Hull, Vol. I., New York: Macmillan Co., 1948, pp. 480f. See also Richard P. Traina, American Diplomacy and the Spanish Civil War, Bloomington/London: Indiana Univ. Press, 1968, especially chapter 7 ("The Good Neighbor"), pp. 144-157.

Moreover Mexico supported an abortive attempt of Cuba at the Eight Pan-American Conference in Lima (1938) to use the Conference as a negotiator between the antagonistic forces of the Spanish conflict. Yet, the Mexican delegation made clear that this proposal

no significaría que el Gobierno Mexicano reconoce la beligerencia de quienes se han levantado contra el Gobierno constituido, pues para el Gobierno de México, el unico Gobierno legítimo es el que preside el señor Azaña, en Barcelona.¹³

After all, Mexican support for the Azaña government, both in terms of weapons and men, was rather small in comparison with the Reich's massive supplies to Franco. In the last four months of 1936 Mexico had delivered weapons and munitions in the value of \$ 1.5 million.¹⁴ "Yet, in view of the fact that Mexico was neither a military power nor an industrial center, the quantities sent to Spain loom large."¹⁵ In contrast, the Reich's expenditures on November

¹³Secretaría de Relaciones Exteriores, Memoria 1938/9, México, D.F.: SRE, 1939, p. 416. Cited in Volland, p. 237, footnote 3.

¹⁴William O. Scroggs, "Mexican Oil in World Politics," Foreign Affairs XVII, 1938/9, p. 174, and El Nacional, Sept. 2, 1937.

¹⁵Lois Elwyn Smith, Mexico and the Spanish Republicans, Berkely: Univ. of California Press, 1955, p. 191.

7, 1936 already accounted for 41.7 million Reichsmark, at least the tenfold amount of Mexico's contribution.¹⁶ The unequal amount of support is also seen in terms of men. While Smith estimated 150 Mexicans - which included the painter David Alfaro Siqueiros - fighting with the International Brigades,¹⁷ the Reich's massive contribution was expressed by the "Legion Condor" which fought on the side of Franco.

Thus, "perhaps the greatest value of Mexican arms shipments lay in the intangible realm of morale."¹⁸ Cárdenas' diary entries emphasized Mexico's moral and political obligation¹⁹ and the ideological solidarity with Republican Spain.²⁰ This attitude is also well proved by the Mexican refugee policy in regard to the Spanish

¹⁶See Manfred Merkes, Die deutsche Politik im Spanischen Bürgerkrieg 1936-1939, Bonn: Historische Forschungen Bd. 18, 1969, p. 71.

¹⁷Smith, p. 196.

¹⁸Ibid., p. 191.

¹⁹Apuntes, p. 355.

²⁰Ibid., p. 370.

Republicans.²¹

However, there are more reasons for Cárdenas' support of Azaña. The president perceived the international nature of Franco's forces as most disturbing. It violated international law as expressed in the non-intervention article of the League's Covenant which he saw as "inalienable."²² Volland pointed out that the psychological moment, derived by Mexico's own historical experience of interventions, amplified Cárdenas' resentment.²³ His protests of Japan's aggression against China and of Italy's invasion of Abyssinia support this reasoning. In this respect, the business aspect of the weapon sales must be seen as a minor motive, since it was a logical consequence of Cárdenas' political and legal stance. After all, the strong cultural relations to the "Madre Patria," which in particular flourished in the last years before the outbreak of hostilities with the Republican leftists, explains Cárdenas' strong commitment to the Azaña cause.

²¹See Smith, pp. 198-295; Jerry Edwin Tyler, The Cárdenas Doctrine and 20th Century Mexican Foreign Policy, Diss.: Louisiana State Univ., 1974, pp. 68ff.; and Ramón Beteta, "Mexico's Foreign Relations," The Annals of the American Academy of Political and Social Science 208, 1940, pp. 176f.

²²Fabela, p. 10.

²⁴Ibid., pp. 72-81.

²³Klaus Volland, Das 3. Reich und Mexico, Frankfurt/Bern: Lang, 1976, p. 70.

With Germany and Mexico in opposite camps in the Spanish Civil War, the political relations between them deteriorated. In fact, the Spanish conflict set a caesura in the relations between the two countries. Now only pragmatism, supported by an increase in trade relations, guaranteed further diplomatic relations,²⁴ which proved to be helpful when Davis' oil deliveries started in 1938.

Thus a paradoxical situation arose: all the same time that Revolutionary Mexico was supplying arms and food to Republican Spain, she was furnishing a critical war commodity to the Reich, Franco's ally. Consequently, political and economic policies were kept separate on both sides. Minor incidents which could jeopardize this pragmatism were usually protracted or often pushed aside. For example, when caricatures "in grotesque forms" of Hitler and Mussolini were carried through Mexico's streets in the Workers' May Day celebration, Mexico's government did not feel obliged to intervene. It argued that "the manifestation was under the sole responsibility of the workers." Despite strong protests of Minister Rüd̄t, Mexico refused to apologize to Germany.²⁵ This was before the Davis' oil deliveries started.

²⁴Ibid., pp. 72-81.

²⁵New York Times, May 15, 1937, p. 4.

When the Mexican oil was shipped to Germany, the official Mexican attitude changed, at least superficially: a mural by Juan O'Gorman in the new waiting room of the central airport pictured Hitler and Mussolini as a hydra-headed snake emerging from the labyrinth of an inferno. It was removed.²⁶ Ironically the order came from General Múgica, one of the most leftist members of Cárdenas' cabinet. The accommodation in political public affairs averted any unnecessary erosion of diplomatic relations and thus smoothed the economic "teamwork." The Cárdenas administration knew its quid pro quo.

Nevertheless, Cárdenas saw no reasons to display hypocritical friendliness towards Germany. On August 22, 1939 he noted in his diary: "Ofrecimiento del gobierno alemán de la más alta condecoración. Rehusada."²⁷ The "Rehusada" did not need any explanation. The European events until then had convinced him about the true nature of German National Socialism. Two cases in point are the annexation of Austria and the Czechoslovakian crisis.

²⁵ See Chapter IV.

²⁹ See also Volstead pp. 113f.

²⁶ New York Times, Nov. 7, 1938, p. 21.

²⁷ Apuntes, p. 429.

The Annexation of Austria

The Anschluss of Austria (March 12, 1938) preceded the oil nationalization by only six days (March 18, 1938). Probably Cárdenas used the annexation as an opportune moment to proclaim the oil expropriation.²⁸ However, there is no evidence for a direct German participation in the Mexican move.²⁹

Mexico was the only League member which protested against Hitler's "hazaña" and "desbordamiento imperialista," as Cárdenas described it in his diary.³⁰ At that point, Cárdenas still followed closely his principles, though he recognized that the League had failed in its aggression preventing functions.³¹ Thus the protest at the Geneva forum was harsh and unequivocal:

La forma y circunstancias que causaron la muerte política de Austria significan un grave atentado al Pacto de las Naciones y a los sagrados principios del Derecho Internacional. Austria ha dejado de existir como Estado independiente por obra de una agresión exterior que viola flagrantemente nuestro

²⁸See Chapter IV.

²⁹See also Volland pp. 112f.

³⁰Apuntes, p. 390.

³¹Ibid. See also Fabela, p. 72.

pacto constitutivo, así como los Tratados de Versailles y San Germán que consagran la independencia de Austria como inalienable.³²

So why did Cárdenas' representative in Geneva, Isidro Fabela, and Ramón Beteta, "the brains of the foreign office,"³³ still fall back on the institution of the League? First of all, as in the case of the Spanish Civil War, Cárdenas felt morally obliged to express his disgust for the Reich's expansionistic and ruthless foreign policy. As early as May 1936, he had perceived Mexico's role in the League of Nations as a tribune against imperialism.³⁴ In view of the relative insignificance of Mexico's voice in foreign policies, the European forum helped to polish Mexico's international reputation, at least in the democratic countries. It also admonished the U.S. - despite Good Neighbor policy - about the ugly nature of annexation of one neighbor by another: "una tribuna en Europa contra el predominio de nuestros vecinos."³⁵

³²Fabela, pp. 72f. Here the whole text is printed, pp. 72-74.

³³Smith, p. 181, footnote 15.

³⁴Apuntes, p. 350.

³⁵Ibid.

By the same token, Cárdenas warned and reminded the League that if it did not fulfill its obligations in such cases, then even more serious problems would face the world.³⁶ This, of course, was a futile move in view of the League's non-existent means to enforce its principles, similar to the United Nations' position today.

Finally, at that time there was no reason for Cárdenas not to protest and thus to express his genuine concerns and opinion. The ongoing negotiations about German oil concessions in Mexico were now untenable anyway, since Mexico exuberantly celebrated her achieved "economic independence." Cárdenas could not know that he would be soon forced to sell oil to the Reich. Half a year later, after the first barter deals with Germany through Davis were concluded, the official Cárdenas reacted more cautiously.

The Czechoslovakian Crisis

One day later Cárdenas seriously questioned the success Fabela saw two main reasons for Germany's desire of hegemony over Czechoslovakia. First, that the Prague government could become "un pueblo opositor a sus [Germany's] planes y un auxiliar muy útil a los franceses y

³⁶See Beteta, p. 73f.: "El mundo caerá en una conflagración mucho mas grave que la que ahora se quiere evitar, fuera del sistema de la Liga de las Naciones."

rusos." And second, that Germany was interested in the "abundant raw materials, that it needs."³⁷

When the Czechoslovakian Crisis came in the summer of 1938, Cárdenas secretly proposed to President Roosevelt the establishment of an inter-American boycott against aggressor nations, though such a move would cost Mexico the important German market for her oil. Cárdenas noted in his diary on September 28, 1938:

Por conducto del señor embajador Daniels dirigí hoy carta al señor presidente Roosevelt ... por la agresión de Alemania a Checoslovaquia, ofreciendo México una colaboración inmediata, prohibiendo el envío a Alemania de materias primas, inclusive el petróleo y sus derivados ... El simple anuncio de un boicot de América para los países agresores, influiría grandemente en la opinión internacional.³⁸

His diary entry, however, failed to mention the condition for this boycott: According to Josephus Daniels, Cárdenas only planned to implement the suggestion "in case of war."³⁹

One day later Cárdenas seriously questioned the success

³⁷Isidro Fabela, Cartas al Presidente Cárdenas, México, D.F.: Offset Altamira, 1947, p. 320.

³⁸Apuntes, pp. 398f.

³⁹Josephus Daniels, Shirt-Sleeve Diplomat, Chapel Hill: Univ. of North Carolina Press, 1947, pp. 72f.

of the Munich Conference: "Debemos pensar que todos [Hitler, Mussolini, Chamberlain and Daladier] sacrificarán a Checoslovaquia."⁴⁰ As it is well known, the conference took place without the Prague government. Consequently, the Mexican president did not share Chamberlain's hope "peace for our time." Cárdenas wrote in his diary on October 2, 1938:

La amputación que acaba de sufrir Checoslovaquia por la agresión de Alemania, apoyada por Italia y sancionada por Inglaterra y Francia no asegurará la paz en Europa. Los países imperialistas se habrán de encontrar algún día con fuerzas superiores que los detendrán en su loca carrera de conquista y atropellos. ... Si las democracias de hoy han sido impotentes para defender la libertad de los pueblos, el tiempo hará sonar la hora de las justas reivindicaciones.⁴¹

Yet, despite this clear language and his historical clear-sightedness, Cárdenas did not officially protest. Nor did he undertake anything after the "Erledigung" (the finishing up) of the last part of Czechoslovakia in March 1939. Though Mexico did not recognize the territorial conquest of the multiethnic nation,⁴² Cárdenas' altered

⁴⁰ Apuntes, p. 399.

⁴¹ Ibid.

⁴² Beteta, p. 175.

position in avoiding "his European forum" is obvious. Taking into account his ardent public defense in preceding similar cases (Abyssinia, China, Spanish Civil War, Austria etc.) and his unchanged private attitude towards Nazi-Germany as expressed in his diary, his restraint can only be explained in terms of the excellent mutual economic relations with the Reich.

In the earlier chapters we had described the various negotiations for Mexican oil between the two countries which ultimately had led to the Davis contracts in June and July 1938. Thus, at the time of the European crisis, Germany had become the most vital customer of Mexican oil. Moreover, barter deals and the Askimark devices enhanced both countries' trade relations. Consequently, Cárdenas' official and public position reflected Realpolitik in the purest sense: despite strongest ideological scruples, economic considerations led Cárdenas to act pragmatically, that was to remain politically silent. Therefore, he only intervened in a very moderate manner and in an almost private nature. Two days before the Munich Conference, Cárdenas sent a telegram to Hitler and Czechoslovakian President Beneš in which he urged them "to avoid a conflagration" and find a peaceful solution in the Sudeten

Crisis.⁴³ The earlier strong-worded protests now disappeared.

Nevertheless, in conclusion, Cárdenas' resentment against Hitler's tour de force in Europe, accompanied by the dictator's consistent violations of international law, was quite obvious and outspoken. The circumstances - that is to say the economic realities - conditioned Cárdenas' actions in Mexico as well as in Geneva.

In any case, Cárdenas' attitude essentially reflected his position as a protagonist for the extension of the Calvo Clause on an international, multilateral level.⁴⁴ Cardenas was strongly opposed against any kind of foreign intervention. In this respect the goal of the Calvo Clause can be compared with the one of the League of Nations or the Pan-American Conferences.⁴⁵ "The purpose of the Calvo Clause

⁴³New York Times, Sept. 29, 1938. According to the article, Cárdenas wrote: "In accord with the sentiment of the Mexican people I consider it my duty to appeal in the most sincere manner possible to the serene judgment of Your Excellency to the end that a conflagration may be avoided."

⁴⁴See Jerry Edwin Tyler, The Cárdenas Doctrine and 20th Century Mexican Foreign Policy, Diss. Louisiana State Univ., 1974.

⁴⁵See Chapter VIII.

is to place foreigners on the same level as nationals in regard to the submission of their difficulties to the exclusive jurisdiction of domestic courts.⁴⁶ On a global scale, the multilateral principles of the League of Nations and, for the Western hemisphere, of the Pan-American Pacts and Declarations, proposed "collective security" or at least multilateral consultations in times of conflict. In any case, international law was sought to be enforced. Consequently, both Calvo Clause and the international organizations have and had the ultimate goal to avoid direct foreign intervention. The similarity of Cárdenas' line of argument in Geneva and in the situation after the oil expropriation is striking, though he based it on different principles. Therefore, the Mexican president persistently insisted and warned both national and international violators to be "fiel al pacto."

In this legal struggle, Cárdenas often stood fairly alone, especially in Geneva. Despite the acknowledged weaknesses of the League, he perceived Mexico's entrance in it as "uno de los más brillantes triunfos diplomáticos de nuestra Cancillería."⁴⁷ On the one hand, the League offered

⁴⁶ Beteta, p. 178.

⁴⁷ Apuntes, p. 350.

him and his country, unexperienced and unacknowledged in foreign affairs, an international podium to express his anti-fascist, anti-interventionist and anti-imperialistic credo.⁴⁸ On the other hand, this intensified involvement in international policies served Cárdenas to strengthen Mexico's position against her Northern neighbor, the United States. Therefore, Cárdenas suspected that "la posición internacional que ha alcanzado México indiscutiblemente la ha resentido el gobierno de los Estados Unidos."⁴⁹ This resentment on behalf of the U.S. probably was intensified by her growing isolation policy and by the fact that the U.S. was not a member of the League.

Cárdenas' opposition to fascism was not confined to Europe alone. The Mexican President faced the Nazi threat at home as well. However, as the next chapter reveals, the various contemporary accounts about the Nazis' ideological penetration in Mexico have to be placed in perspective. Three case studies will serve this purpose. Moreover we will examine to which extent anti-communism and anti-semitism permeated Mexico and thus served the Nazi cause.

⁴⁸The developing Third World countries today use the United Nations in a similar fashion.

⁴⁹Apuntes, p. 350.

Chapter 6

The Nazis in Mexico

The German Threat in Latin America: An Introduction

The Pan-American Conferences of Buenos Aires (1936) and Lima (1938) indicated the general desires of an united Western Hemisphere front vis à vis the perceived German threat.¹ With the war clouds moving fast over Europe, all American states displayed considerable concern about the growing ideological fascist penetration. The inroads for such political agitation usually found its way through three channels:

1. The organization of Germans living abroad was tightened and then used or abused for the Nazi cause.
2. Media propaganda such as pamphlets, newspapers, films and radio served to spread out the Nazi ideology.
3. German agents sought direct or indirect participation in local movements and political organizations.

The second and third channels of German propaganda inroads

¹See Chapter VIII in this manuscript.

will be treated later as separate investigations within the context of the Mexican case.

The ideological training and cultivation of a German national identity for Germans living abroad, the Auslandsdeutsche had already been supported by Imperial Germany as well as by the Weimar Republic. This specific foreign policy aim was now especially stressed after Hitler had risen to power.² The two most important vehicles of this policy were, among others, the Volksbund Deutsche im Ausland (VDA), an organization that administered official subsidies for German schools, theaters and newspapers amounting annually to 3.5 million RM in Latin America.³ As the most significant ideological instrument abroad functioned the Auslandsorganisation (AO), the foreign organization of the National Socialist Party. With Ernst Wilhelm Bohle as Gauleiter (director of the AO) - a protégé of chief party administrator Rudolf Hess - this agency became the most

²See Albrecht von Gleich, "Germany and Latin America," RAND Corp. Memorandum RM 5523, Santa Monica: June 1968, p. 15.

³Friedrich Katz, "Einige Grundzüge der Politik des deutschen Imperialismus in Lateinamerika von 1858 bis 1941," in Friedrich Katz et al., Der deutsche Faschismus in Lateinamerika 1933-1943, Berlin(East): 1966, p. 22. The Spanish edition is titled: Hitler Sobre América Latina: El Fascismo en Latinoamérica, 1933-43, México, D.F.: Editorial Fondo de Cultura Popular, 1968.

agressive vehicle in promoting Nazism among German communities in foreign countries.⁴

Moreover, German cultural institutions such as the Fichtebund and the Ibero-Amerikanische Forschungsinstitut, both working from Hamburg, were engaged in propaganda activities in Latin America.⁵ Such unofficial agencies as well as the official organizations were both active in Mexico, even though not to such a degree as in other Latin American countries with traditional strong German immigration, notably the ABC countries, Uruguay and Paraguay.

The fear of a German "Fifth column" in Latin America was nourished by events in Brazil and Argentina. In Brazil, Germans were held responsible for an abortive putsch in May 1938. Already in 1932 the European fascist movements had inspired the formation of an authoritarian Brazilian party,

⁴See Alton Frye, Nazi Germany and the American Hemisphere 1933-1941, New Haven/London: Yale Univ. Press, 1967, pp. 15-31.

⁵Ibid., p. 18.

the Integralists.⁶ The group supported President Vargas' abrogation of the constitution and his assumption of dictatorial powers in 1937, but Integralist leaders were obviously disappointed that they did not receive a prominent role in the new scheme of politics. This discontent led the party to attempt a coup d'état in May 1938. Since Nazi involvement in the plot was undoubted by the Vargas government, stern actions against German communities and associations were taken which culminated in the banning of the AO one year later.⁷

In Argentina, German immigrants and their various Nazi organizations carried out successful propaganda since Hitler's seizure of power.⁸ Up to mid-1938 German activities were left relatively undisturbed by the Argentine authorities, even though the public became more and more alert and solicitous about the open display of Nazi ideology. This alertness became heightened after the alleged

⁶See Stanley E. Hilton, "Acção Integralista Brasileira: Fascism in Brazil, 1932-1938," Luso-Brazilian Review 9, 1972/3, No.2, pp. 3-29.

⁷See Frye, p. 15-31.

⁸See Andreas Winckler, "Argentina and Germany in 1938/9," Unpublished Paper, UT, 1983.

German involvement in the abortive coup in Brazil, Argentina's northern neighbor. The Argentine administration now took first steps to curb Nazi public actions such as meetings under the Swastika and propaganda through German schools.⁹

The final spark that led the Argentine authorities to firm actions against German activities was the so-called Patagonia affair. In March 1939 the newspaper Noticias Graficas published a document, purporting to be a dispatch to the Reich's Colonial Policy Office which described Nazi plans for the collection of secret intelligence in preparation for German annexation of Patagonia. This area of the country was known to have oil reserves and is of great strategic importance since it dominates the Straits of Magellan, the Southern route from the Atlantic to the Pacific coasts.

Even though the German embassy immediately denied the document's authenticity, the Argentine police arrested Alfred Müller, deputy Landesgruppenleiter of the Nazi Party in Argentina and one of the authors of the reputed conspiracy. Since the original could not be traced, Müller

⁹See Norman P. MacDonald, Müller Over Latin America, London: Jerrisa, 1940, pp. 34-40.

⁹See Arnold Ebel, Das 3. Reich und Argentinien: 1933-1941, Köln/Wien: Böhlau, 1971.

obtained his release in May, but the case occupied the Argentine courts well into the summer before it was finally dismissed.¹⁰

The extended legal proceedings, however, stimulated the nationalistic voice in the Argentine press and accounted for a new wave of alarm over the dangers of the Quinta Columna, the paramilitary German fifth column, throughout Argentina. Now public opinion seriously pressed the government for action. On 15 May a long expected decree was issued regulating the activities of foreign associations in Argentina. All such bodies were in future obliged to provide both the Ministry of the Interior and the police with full details of their organizations, their purpose and names of members. Other measures curtailed their activities and ninety days were given to comply with these new regulations.¹¹

These two examples show that the general, often undefined fear of the German threat was justified and not mere paranoia. In general, the Department Pol. IX of

¹⁰See Norman P. MacDonald, Hitler over Latin America, London: Jarrolds, 1940, pp. 54-60.

¹¹Ibid., pp. 62f. and Ebel, pp. 412ff.

Ribbentrop's foreign office which was responsible for South America aimed for three main goals:

- the creation and fostering of anti-American attitude
- the economic penetration
- the political and ideological expansion on behalf of German National Socialism.

We already described how the trade relations between Mexico and Germany had prospered. They developed and were perceived very satisfactory on both sides. The widening of the economic cooperation can be called successful in view of both countries' goals. The political penetration in Mexico, however, caused difficulties.

An acknowledged goal of the German secret diplomacy was the preliminary neutralization of South America, since [the foreign office] did not have any illusions about the fundamental antifascist attitude of Mexico [after she sided with the Spanish Republic] and the total U.S. dependence of the Central American 'Banana' Republics.¹²

Thus apparently Lázaro Cárdenas' government discouraged extensive endeavors on behalf of the German propaganda machine. Volland emphasizes the reasons of this fruitlessness:

¹²Manfred Kossok, "Sonderauftrag Südamerika, Zur Politik des deutschen Faschismus gegenüber Lateinamerika 1941/1942," in Der deutsche Imperialismus und der zweite Weltkrieg, Vol. 3, Berlin(East): 1962, p. 71. My translation.

A political alliance between the Third Reich and Mexico was already impossible because of ... the trade hegemony of the U.S.; [moreover] the growing influence of the Mexican left in the period after 1935 [after the Calles-Cárdenas break], the power constellation in WW II plus the national socialistic orientation towards race policy excluded such an alliance.¹³

Nevertheless some German national socialistic influences can be traced in Mexico. They appeared in different, but distinctively Mexican organizations and movements such as the Sinarquistas, Dorados and the Cedillo revolt. First, however, before we apply the term, the circumscription of "Fascism" is indispensable. A clarification is necessary in order to detect parallels and analogies between the Mexican right wing ideologies and appearances on the one hand and fascism on the other. Moreover the term's inflationary usage at the time, in particular in left wing circles (in the same prolific manner Fascists used the term "communism"), is another reason for its closer investigation.

¹³Great Nolte, Three Faces of Fascism, New York/Chicago/San Francisco: Holt, Rinehart and Winston, 1965, p. 14. My emphasis. The book was originally published in German: Der Faschismus in seiner Epoche, Düsseldorf: Droemer/Knaur, 1965.

¹³Klaus Volland, Das 3. Reich und Mexico, Frankfurt/Bern: Lang, 1976, p. 200. My translation.

What Is Fascism?

The term "fascism" is here used in its customary connotation as the collective term for its subordinated versions such as Italian Fascism, German National Socialism and the Spanish Falangismo. Later the specific German fascist characteristics will be pointed out in the context of the Mexican case studies.

As Ernst Nolte remarked, one handy definition of the phenomenon is impossible:

The original interpretations of political trends, however, are always formed, before objective study forms them, in the confrontations of social existence itself. Applied to a given phenomenon they represent a conception rather than a description.¹⁴

Nolte identifies seven conceptions of Fascism, depending on the historical and ideological points of view of their authors.¹⁵ Without examining these conceptions which the historian "has to assume ... rather than initiate them," one has to keep them in mind as variations of the

¹⁴Ernst Nolte, Three Faces of Fascism, New York/Chicago/San Francisco: Holt, Rinehart and Winston, 1966, p. 16. My emphasis. The book was originally published in German: Der Faschismus in seiner Epoche; die Action française, der italienische Faschismus, der Nationalsozialismus, Munich: Piper, 1965.

¹⁵Ibid., pp. 16-21.

generalizations here to follow. Since there is no synthetic theory about fascism, a typological approach will be pursued. This method will examine and determine the typical, external as well as inherent, principles and features of fascism, which sum define the term.

For Harold J. Laski, "fascism is power built upon terror and organized and maintained by the fear of terror and the hopes to which conquest gives rise."¹⁶ This simple definition contains several essential elements of fascism. First and probably most important is the deep-rooted desire for power for power's sake.

If a constitutive principle in fascism exists at all, it is simply and solely the principle that power is the sole good and that values attach only to those expedients which sustain and enlarge it.¹⁷

All other elements of fascism only support this - often misinterpreted - Nietzschean "will to power." These scattered, wide ranging elements might be divided into two categories: one forms the condition of fascism and the other

¹⁶Harold Laski, "The Meaning of Fascism," in Harold Laski, Reflections on the Revolution of Our Time, London: G. Allen & Unwin Ltd., 1943, p. 103. Republished in New York by A. M. Kelley in 1968.

¹⁷Ibid.

forms its myth.¹⁸ Both serve ultimately the systematical attainment of terror. Therefore fascism needs appropriate organization for its condition, while hopes and beliefs generate its mythological justification.

The condition represents no more than formal extension, through the employment of the machinery of the state, of the leading business principles to encompass the entire population. Indeed these economic principles applied to politics appear as part of the fascist organization.

Every business practises towards its own staff the 'leader' and the 'authority' principles, and it undeviatingly aspires towards the 'total' principle. That is to say, all officers and staff members are appointed and removed from on top entirely at the discretion of management (leader principle), and authority is from the top down, responsibility from the bottom up (authority principle). And every employer attempts to control so far as humanly possible the attitudes, beliefs, and points of view (Weltanschauung) of his employers and every section of the public with which he comes in contact (total principle).¹⁹

According to these principles the fascist regimes were set up. The National Socialists managed to organize and thus control, dictate and infringe upon every aspect of daily

¹⁸Robert A. Brady, The Spirit and Structure of German Fascism, New York/London: The Viking Press, 1937, p. 376.

¹⁹Ibid.

life. Rigid hierarchy guaranteed the flow of orders from top to bottom. Discipline and obedience was incorporated at every level of the political machinery. Everybody was somehow organized; first in the party itself and secondly in its various subdivisions in respect to the member's gender, age and inclination: Storm Troop, Special Guard, Labor Front, Hitler Youth, Federation of German Girls etc. Moreover sport clubs, choral societies, art clubs and other cultural associations served this total organization which was centralized for the sake of better control.

On top of all this stands the leader. His personality is twofold. On the one hand, he must be immensely above his followers - built upon the religious impulse and thus appearing as God-chosen and infallible - while on the other hand he must be also one with them and of them. In short, "distance must not interfere with the sense of intimate

in the sense that Luther and Calvin, Cromwell and Washington, Marx and Lenin, were revolutionaries. Men such as these were driven by a purpose wider than the end of satisfying themselves. They were seeking to change the behaviour of men in terms of principles to which they attached the significance of universality. ... They were the servants, the priests, as it were, of the doctrine they professed, and not its masters. ... They were not seeking to elevate their own private ambitions to the status of universal principle. To class such men with Hitler and Mussolini is to identify the revolutionary with the outlaw. The distinction is a fundamental one if the nature of fascism is to be understood. (1933, p. 116)

²¹See Brady, p. 376.

communion."²⁰

Myth constitutes the other aspect of fascism. It is the interpretation of the fascist organization and its inherent ideology that is designed to gain popular support. With regard to the latter, it may be laid down as an indispensable condition that, without some measure of popular support, fascism - even with the aid of the military - becomes next to impossible to put across at the beginning.²¹

Myth then is designed purely and simply as a means for circumventing opposition, and its propositions are regarded as equivalent to 'true' and undeniable facts if they can be successfully put across, since ... success is the measure of 'truth' as well as of

²⁰Laski, p. 129. The fascist leaders, Laski warns, are, however, by no means revolutionaries

in the sense that Luther and Calvin, Cromwell and Washington, Marx and Lenin, were revolutionaries. Men such as these were driven by a purpose wider than the end of satisfying themselves. They were seeking to change the behaviour of men in terms of principles to which they attached the significance of universality. ... They were the servants, the priests, as it were, of the doctrine they professed, and not its masters. ... They were not seeking to elevate their own private ambitions to the status of universal principle. To class such men with Hitler and Mussolini is to identify the revolutionary with the outlaw. The distinction is a fundamental one if the nature of fascism is to be understood. (Ibid., p. 116)

²¹See Brady, p. 376.

ability.²²

This nihilistic approach to 'truth' explains fascism and its myth as its antithesis to marxism. Therefore Nolte defines

fascism as anti-marxism which seeks to destroy the enemy by the evolvement of a radically opposed and yet related ideology and by the use of almost identical and yet typically modified methods, always, however, within the unyielding framework of national self-assertion and autonomy.²³

This definition implies that without marxism there is no fascism. Thus fascism develops its energies, its attractiveness and its impact on the population through opposition and as an anti-thesis. Genuine new political approaches are lacking. Its ideology is no ideology, because it does not stand by itself, while for example marxism and its variations dispose an independent theory. Thus fascism has no doctrine, but exists only as a reaction and rejection as seen in anti-semitism and AntiComintern. That is the reason why National Socialism rapidly grew out of the blame on the Versailles treaty and created the Dolchstosslegende (stab in the back legend). These negative values, supported by the myth, again serve the ultimate goal of fascism: the

²²Ibid., pp. 378f.

²³Nolte, p. 20f. My emphasis.

seizure of power. The anti-doctrine is the reason why "fascism attempts ... to put across to the people a 'self-denying ordinance' through conversion of the disinherited to the theology of their self-confessed betters."²⁴

Nolte's definition also includes the self-serving position of fascism. Its different versions act "within the unyielding framework of national self-assertion and autonomy." Thus fascism does not claim to be a unified, universal type, but it allows to be used within the specific national case.

So how is the myth, the fascist monopoly of 'truth,' obtained? The main tool is propaganda, meaning the propagation of (the reputed) doctrine and is based upon the conquest of attitude, of belief, of point of view. It proceeds on two levels, the persuasive or educational level, and secondly, the coercive level. The second "does not dispense with persuasion, but it adds thereto the compulsion to conform."²⁵ By this token, the only valid criterion in the program for the public is what is effective, what will succeed and what will suppress, or deflect, or undermine

²⁴Brady, p. 379.

²⁵Ibid., p. 383.

opposition.²⁶

Logically, fascism admits no compromise with its opposite. In the words of Laski, "it is the rising of the underworld against the habits of an ordered cosmos."²⁷ The success of fascism must be total. A multi-party system is incompatible. In this sense fascism forms a movement rather than a party. Consequently, the rule of law must be replaced by that of terror and rights, and consists in what the fascist dictator proclaims. However, condition and myth ultimately serve to evoke acquiescence in his authority, since terror alone is not a method which permits of

²⁶As Brady points out, the difference between nonfascist capitalist states and fascist states is to be found not in the content, but in the level on which propaganda is promoted. The nonfascist countries are still on the persuasive level, which tries to sell itself to the public, while the fascist are fully oriented on the coercive level: "it has sold the public to itself, and those who do not believe, who do not conform are branded as 'traitors' to the state and treated accordingly." (See Brady, p. 384) Thus the essence of fascism derives from "the outcome of capitalism in decay." (Laski, p. 100)

²⁷Laski, p. 135.

permanent power.²⁸

This short description of the typical elements of fascism will be the equipment with which the fascist tendencies in the different right wing organizations will be detected. Ultimately these fascist characteristics, however, remain 'fascistoid' in Mexico, because they all did not develop beyond the early stages while fascism shows its real face, with all facets displayed, after its seizure of power.

As already indicated, the term fascism hitherto was used as a collective term under which National Socialism and Falangismo formed a subdivision. Now, particular national socialistic characteristics will be referred to within the context of fascistoid elements of Mexican groups, parties and movements.

²⁸Another device of the mythological diffusion is the transfigured glorification of the past. It supports the belief that each person has his allotted function, graded to his talents, which he must perform, and from which alone he may obtain his due need. This device promotes the theory of Social Darwinism, "the survival of the fittest," which Spengler, approved by the Nazis as a prophet of the New Germany, condensed in the sentence "Man is a beast of prey." It justifies the condition and the hierarchy by supporting the formation of medieval caste systems. Man is arrayed against man and each should 'stick to his last.' By the way, here lies the seed of racist theory. In sum, the mystified past serves to justify and cloud the reality of the present.

The Sinarquistas

One thing has to be said at the outset and borne in mind throughout the treatment of the Sinarquistas: "Even there were elements of fascist ideology in their thought and elements of Hispanidad and ultranationalism, nonetheless first, and fundamentally Sinarquismo was Roman Catholic."²⁹

The Sinarquistas originated in 1936 with the foundation of a group which named itself the Centro Anti-Comunista. One of the founding fathers was the German Hellmuth Oskar Schreiter, a chemical engineer by profession but then a language professor at the state college of Guanajuato. But he

was anything but a Mexican idealist. ... He carried an old, 'low-number' German Nazi Party card ... and served as president of the province's Nazi Fichte Bund. His real job in Mexico can be best described quite simply: Hellmuth Oskar Schreiter was a Nazi agent.³⁰

The group was relatively unsuccessful until the name of the organization was changed in May 1937 to Unión Nacional

²⁹Albert L. Michaels, "Fascism and Sinarquismo," A Journal of Church and State (Waco, Texas) 8 (2), Spring 1966, p. 236.

³⁰Allan Chase, Falange: The Axis Secret Army in the Americas, New York: G.P. Putnam's Sons, 1943, pp. 166f.

Sinarquista (UNS) at their meeting in Leon. "Sinarquismo" derives from Greek and means 'With Order' as opposed to anarchy. The movement which did not perceive itself as a political party soon spread out from its state of origin, Guanajuato. Its main strength, as Whitaker observed, "lay in the spontaneous reaction of a large number of the Mexican people to the vices of the Mexican Revolutionary regime."³¹ One of the vices was for example the strict separation of church and state as seen in Cárdenas' ardent endeavor of secular public education, which became a main target of the Sinarquistas.

Whitaker's observation may be supplemented by the idea that the reaction against the Mexican government was nourished by the simultaneous success of the European fascists. From them Sinarquismo drew the methods and techniques for its cause. "The marriage between clerical fascism and Nazism gave birth to the Sinarquista movement."³²

³¹Arthur P. Whitaker, Inter-American Affairs 1942, New York: Columbia Univ. Press, 1943, p. 29.

³²Nathaniel and Sylvia Weyl, The Reconquest of Mexico: The Years of Lázaro Cárdenas, New York: Columbia Univ. Press, 1942, p. 361.

One of its founders, José Antonio Urquiza, for example, made contacts in Spain to the Falangistas, when he fought for Franco in the Spanish Civil War.³³ After his return and the foundation of the UNS, Urquiza soon was murdered and became the first official martyr of the Sinarquista movement. Kirk assumed that his martyrdom was due to the simalarity of Urquiza's first name, which coincided with the Falange's important martyr José Antonio Primo de Rivera.³⁴

From the beginning, Nazi and fascist influences were apparent. In the tangled genealogical chart of Sinarquismo one finds the name of General Wilhelm von Faupel,³⁵ the president of the Ibero-American Institute in Berlin, also Hitler's first envoy to General Franco and later military advisor to the Argentine General Staff.³⁶ Faupel did not disguise Germany's aims in Latin America, as his speech in March 1939 indicated:

³³Mario Gill (pseud.), La Década Bárbara, México, D.F.: Ediciones Paralelo 20, 1957, p. 139.

³⁴Betty Kirk, Covering the Mexican Front, Norman: Univ. of Oklahoma Press, 1942, p. 317. In my view, Kirk overrates this fact, since already in 1941 some 70 martyrs existed according the Sinarquist's 'Handbook for Chiefs' of 1941.

³⁵Margaret Shedd, "Thunder on the Right in Mexico," Harper's Magazine, 190, April 1945, p. 417.

³⁶MacDonald, p. 14.

Germany must pour educationists, scientists and linguists into South America with the object of counteracting the U.S. propoganda there. Radio, press and film propoganda must be used to offset United States influence. And South Americans must be invited in increasing numbers to Germany so that they may see how far ahead we are of all other nations in our culture and social measures.³⁷

However, the direct influence of Faupel's institute on the Sinarquistas was rather limited, even though Chase calls it Faupel's "Mexican masterpiece."³⁸ Moreover the already mentioned Hellmuth Schreiter appeared in the Sinarquistas' annals. "The professor not only advised them but got them funds from local Nazis."³⁹

But more important than these single figures and isolated idols was the impact of the Nazi organizational system. Again, one has to bear in mind that the now described borrowed fascist techniques are but one aspect of the internal structure of Sinarquismo. It used the fascist means for different, distinctively Mexican ends. The most striking external simalarity was the Sinarquistas' system of detailed, carefully planned, minutely directed organization,

³⁷ Ibid.

³⁸ Chase, p. 165.

³⁹ Shedd, p. 418.

thus a direct application of the movement's name: without anarchy, but with order. As in Nazi Germany, this organization was held militarily and had recruited a well-drilled, disciplined army. All members were 'soldiers' and were controlled by the leadership, or jefe, principle. The analogy to the Fuhrer or Duce mentality is obvious. However, the Mexican Supreme Jefe was changed every few years by the UNS National Committee - "a secret group, admitted but unknown" - "presumably to make sure no one man can build up a personal following."⁴⁰ As with the Nazis' Gausystem, regional Sinarquista offices administered the movement's organization. "Detail is magnificently systematized from the top; nothing is initiated from below, although exhaustive monthly reports are required from every group."⁴¹ Indeed, this system applies to Brady's description of fascist organization where "authority is from the top down, responsibility from the bottom up."⁴²

Moreover the Sinarquistas attempted to incorporate and organize women and the youth, reminiscent to Germany's

⁴⁰Ibid., p. 415.

⁴¹Ibid.

⁴²See the preceding section in this chapter: "What is Fascism?"

Hitlerjugend (Hitler Youth) and Bund deutscher Mädchen (Union of German girls). In short, the UNS copied some of the successful features of fascist organization. It was hierarchical, highly centralized and coordinated from the National Committee down through the regional and municipal committees, to subcommittees and sections. In each category obedience to one's superior had to be complete.⁴³

Sinarquismo refused to use established means, such as voting, to come to power. As the European fascists, it perceived itself as a revolutionary movement. Nevertheless the political atmosphere was that within which the Sinarquistas operated. Albert L. Michaels found it as "perhaps one of the greatest paradoxes of the [Mexican] Revolution" that the Sinarquistas - as opponents of the Cárdenas government - launched their most effective campaign for the allegiance of the Mexican campesino in the middle of the Cárdenas administration.⁴⁴ Sinarquismo promised to liquidate the Mexican Revolution by national 'renovation.' It challenged the system from within but never succeeded in such a sweeping manner as in which Hitler had destroyed the

⁴³Edward Skillen, "A Note on Sinarquism," Commonweal, XL, 9 June, 1944, p. 177.

⁴⁴Michaels, p. 238.

Weimar Republic. As the Nazis envisaged a corporate "Aryan" state, the Sinarquistas' ultimate goal was a corporate clerical state.⁴⁵ However, one party rule in a syndicalist spirit - with all workers belonging to one Sinarquist union - never materialized. This idea had already had its forerunner in the Italian fascist model. Despite the UNS appeal to many Mexicans of all classes, the competition with the Revolutionary Party, reorganized by Cárdenas, proved to be too strong.

There is another important factor in the development of fascist power which correlates with Sinarquismo:

Harold Laski called fascism the defense of the middle class against the onslaught of the masses. A similar phenomenon was noted in the Royal Institute of International Affairs' study on nationalism: "The nearer the middle class are reduced by the pressure of economic circumstances to the economic level of the proletariat, the more desperately they struggle to maintain their superior social status." Sinarquista leaders considered themselves to be of the middle classes. They were young, cultured and intelligent. Mostly under thirty-two of age, they had abandoned lucrative careers as doctors, lawyers, engineers, and bureaucrats to lead what they hoped would be a spiritual revival of the Mexican masses.⁴⁶

The National Socialists' early supporters derived exactly

⁴⁵See Hugh G. Campbell, The Radical Right in Mexico 1929-1949, Diss. Univ. of California, 1968, pp. 239f.

⁴⁶Michaels, p. 239.

from this same group of young, eager but unsatisfied academics torn by the economic disaster of the early 1930's and by the political stalemate between right and left in the Weimar Republic.

Further external parallels existed in even minor details and symbols: the official uniform of the Sinarquistas was a green shirt, though most members were so poor that they could not afford this outfit; instead they wore armbands with a green map of Mexico imposed on a white circle as an insignia. The members had their own special form of salute, moreover songs and banners played an important part in their various meetings and processions.⁴⁷

Nationalism was the propelling force for the Sinarquismo movement. But its version displayed a set of purely Mexican symbols and based on the proposition that Mexico was a Catholic nation possessing the European tradition of individualism. The Sinarquista slogan called for "one race, one culture, one language and one religion." The last component, religion, makes the crucial difference to the German national socialistic anti-clerical, though not overtly displayed, stance. The Sinarquista leader Juan

⁴⁷ Skillin, p. 176.

Ignacio Padilla saw history as a battle between those who believed in God and those who rebelled against Him.⁴⁸ Therefore Sinarquista songs rang with the love of God and religious symbolism. Such words as 'Dios', 'Cristo Rey', 'cruz', and 'redención' filled almost all the Sinarquista corridos.⁴⁹ Moreover the hymn emphasized this religious fervor mixed with Mexican nationalism.⁵⁰ Ultimately not a Führer led the Sinarquistas, but God, the heavens and their faith. Consequently, they renounced the "paganism" of Hitler Germany, when they spelled out their foreign policy position in May 1941.⁵¹

The movement's leaders always renounced allegations calling them fascists. But the external resemblance to the European totalitarian regimes plus their open anti-communism and anti-semitism seduced to this determination. Its hierarchical organization was built on fascist models and oriented itself in particular at the German example, the

⁴⁸See Juan Ignacio Padilla, Sinarquismo contrarevolución, México, D.F.: Editor Polis, 1949.

⁴⁹See Michaels *passim*.

⁵⁰Ibid., pp. 242ff.

⁵¹Kirk, p. 316.

most thorough totalitarian system of all. Yet, the foreign ideologies, the Sinarquistas claimed, were alien to them:

It [Sinarquismo] is opposed to that which would impose foreign symbols upon Mexico, alien flags, ... communist or fascist devices. Sinarquismo is a Mexican movement made by Mexicans.⁵²

But nonetheless Sinarquismo and German Nazism and the other fascist movements shared a love of display, marching, emblems, and flags. Cynical promises - another borrowed technique serving mythological reasons - plus appeals to the profound religiosity of the Indian served Sinarquismo to attract a large section of peasants and to reach down to the very foundation of Mexican life.⁵³ The Sinarquistas were still operating on the persuasive level. With these 'every-man-a-king' panacea, they managed to win both the hacendados and the landless peons to their banners - "just as Hitler had won both the landed Junkers and the simple Bauern."⁵⁴ This comparison, however, does not hold true, because of the simple fact that Junkers as part of the nineteenth century feudal system did not more exist. Hitler drew his support

⁵²Mario Gil (pseud.), El Sinarquismo: Su Origen, Su Esencia, Su Misión, México, D.F.: Editorial Olin, 1962, p. 59. Cited in Michaels, p. 244.

⁵³Shedd, p. 419.

⁵⁴Chase, pp. 169f. See also Shedd, p. 417.

from business circles and the middle class. In any case, Hitler's (and especially Goebbel's) dictum about the greatest lies being the ones that gain the widest acceptance was certainly applied by the Sinarquistas, too.

By the same token, the Sinarquistas used mysticism and nostalgia for the idealization of their goals. They looked back to the early colonial days with a desire to reaffirm the pattern of sixteenth-century Spain when the hierarchy of the Church and the noble landowners was unquestioned. Hernan Cortés and Iturbide (as symbol for Spanish monarchy) are their heroes while those of revolutionary Mexico from Hidalgo to Cárdenas are clearly the villains.⁵⁵ A final similarity was that "like the Nazis, the Sinarquistas [had] very little sense of humor."⁵⁶

Yet, the differences are more fundamental than the similarities, since they include the substance of the movement rather than its external appearance.

The socialistic popular nationalism of the Revolution met its challenge not in a fascism looking for external salvation, but in Sinarquismo, a native Mexican popular nationalism which had its roots in the Mexican character and in the failures

⁵⁵See Chase, pp. 168f.

⁵⁶Shedd, p. 421.

of the Revolution.⁵⁷

These failures of the Revolution, as perceived by the Sinarquistas, consisted of the secularization of the state, the sovietization of Mexico, the deficiencies of Mexico's agrarian reform and her sell out to foreign forces, in particular to the U.S. and Judaism. "Sinarquistas, however, did more than question the Revolution; they rejected it."⁵⁸

Yet, while the fascist countries gloried in violence and exalted war, Sinarquistas relied on peaceful solutions without arms, but by passive resistance. Probably the futility of armed resistance in the Cristero revolt (1926-1929) convinced the Sinarquistas to choose unbloody ways despite their violent and aggressive polemics as seen in their corridos.⁵⁹ They envisioned a change not by reform but by peaceful "conquest of the peoples' hearts." They sought a new nationalism based on religious brotherhood disregarding skin color.⁶⁰

⁵⁷Michaels, p. 238.

⁵⁸Ibid., p. 248.

⁵⁹See Michaels passim.

⁶⁰Ibid., p. 248.

Edward Skillin jr. concluded in *Commonweal*, one of the most influential of the catholic publications in the U.S., that "it can be readily seen that not by the widest stretch of the imagination can Sinarquism be called a democratic movement in any real sense," and continued:

The Sinarquist organization is authoritarian and highly centralized; it requires blind obedience on the part of its members; the element of secrecy is so great that even leaders require secret countersigns in order to recognize each other. History has repeatedly shown that a political machine whose operations are so secret ... invariably is diverted from its original purposes. It can be easily be captured, especially when operating within the Latin American tradition, by a jefe or caudillo whose dominating purpose is his own will to power. ... In similar fashion it can become the organ of a foreign power.⁶¹

Yet, despite the detected, mostly outward similarities between Sinarquistas and German Nazis, no evidence could be found for an active and direct German support in terms of money, ideological indoctrination or organizational aid. When Sinarquismo spread rapidly between 1937 and 1940, it always was a genuine Mexican movement. Its appealing force and dynamics lied in its clerical character rather than in its fascistoid techniques. Thus the movement's religious substance attracted, not its superficial, fascist-oriented appearance.

⁶¹Skillen, p. 178.

The Sinarquistas were openly for the social programs of Hitler and in general pro-Nazi before Pearl Harbor.⁶² Allegedly the Sinarquistas were "controlled" by the Falange Espanola, getting their money from the Spaniards' contributions, an accusation they denied.⁶³ In any case, whatever influence some Germans might have attained within the movement, they certainly did not alter its essential goal of a corporate clerical state and of a Mexico for Mexicans, and not for some foreign ideology. Betty Kirk's quote of Julio de Kock, a social scientist who had fled from Belgium, that "the Sinarquistas' real object [was] to serve Hitler and the Nazis" does not prove consistent with the movement's Mexican and religious goals, which they so ardently pursued.⁶⁴ After all, the Sinarquistas supported the German cause mainly in one respect: they promoted anti-U.S. feelings in the region.

⁶²See Shedd, p. 417.

⁶³Kirk, p. 284.

⁶⁴Ibid., pp. 324f.

The Dorados

The Camisas Doradas (or Dorados, as they were called in Mexico) emerged from an anti-communism party, the Acción Revolucionaria Mexicana (ARM) in 1935. Their appearance and their anti-semitic ideology, lacking the Catholic fervor of the Sinarquistas, soon brought them in the reputation of being fascist. Indeed, their outfit reminded of Hitler's Brown Shirts, since the Dorados' uniforms consisted of a gold shirt (therefore their name), worn with black pants and a palm hat.⁶⁵

Soon the Gold Shirts became a well publicized group

with fascist affiliations because their turbulent leader, [General] Nicolas Rodríguez, a tall, swashbuckling, arrogant man with a penchant for impressive phrases, managed to get his name into the papers almost daily...⁶⁶

⁶⁵The name also implied an identification with Pancho Villa's Dorados who had been the cavalry unit of the revolutionary general of the North. The Dorados' leader, General Nicolas Rodríguez had fought with Villa and therefore claimed linear descent for his group. But, as Campbell points out, "although only a few of the Gold Shirts could legitimately lay claim to have fought with Villa, this identification was well calculated to give the group the appearance of Revolutionary authenticity as well as providing a flair which would encourage adventuresome young men to enlist." See Campbell, p. 139.

⁶⁶Verna Carleton Millán, Mexico Reborn, Boston: Houghton-Mifflin, 1939, p. 242.

Indeed, the Dorados' aggressive, fanatical style was very conspicuous and they were quite open with their sympathy for Nazi Germany. With their vociferous hatred of Jews and Communists they actively supported the Nazi cause in this respect. They even presented a petition to President Cárdenas asking to put curbs on the Jews in Mexico. They petitioned that all Jewish-owned factories to be turned over to Mexican labor and the Jews' citizenship to be withdrawn. Moreover they urged Cárdenas that all resident Jews must be forbidden to participate in politics.⁶⁷ Every speech by a Gold Shirt contained a lengthy condemnation of "International Jewry," which, ironically was no significant factor in Mexican life vis a vis a very small Jewish community in Mexico.⁶⁸

The xenophobia which focused on the Jew was as equally strong as the Dorados' paranoia of communism which they expressed by their opposition to the labor movement and the local Communist Party. Reminiscent to the street battles between Brown Shirts and Communists in Berlin in the early

⁶⁷Julius Harrison Flano, *Mexico Marches*, Indianapolis, N.Y.: The Bobbs-Merrill Company, 1933, p. 73.

⁶⁷New York Times, June 2, 1935. See also Campbell, p. 142.

⁶⁸See last section in this Chapter.

1930's, the Dorados combatted militant trade unions⁶⁹ and clashed with Mexico's Communists. The most dramatic battle took place at the end of 1935 at the event of the twenty-fifth anniversary of the Revolution. Several thousand members of labor and peasant groups celebrated in a demonstration at the Zócalo in Mexico City when several hundred Dorados marched in a counter demonstration on this main plaza.

Naturally, a bloody battle ensued. The most spectacular aspect of this encounter were the collisions between taxis driven by Chauffeur Union members and horses ridden by the traditionalist-inclined Dorados.⁷⁰

It resulted in six killed and fifty wounded before the police were capable to regain control of the Zócalo.

The Gold Shirts enjoyed German support in different ways. First of all, German commercial firms in Mexico City employed them as strike-breakers, a speciality of the anti-labor ARM.⁷¹ Campbell suggests that the organization was

⁶⁹Jaime Herrysson Plenn, Mexico Marches, Indianapolis, N.Y.: The Bobbs-Merrill Company, 1939, p. 79.

⁷⁰Campbell, p. 147. Notice the nostalgia outlook of the mounted Dorados.

⁷¹Verna Carleton Millán, Mexico Reborn, Boston: Houghton-Mifflin, 1939, p. 243.

founded at the instigation of Calles to serve as a force to keep labor in line.⁷² After all, one source reports that "employment" by German business houses in Mexico resulted from "pressure [by] the Nazi legation."⁷³

Secondly, the German legation apparently gave subsidies to the Dorados' ARM.⁷⁴ This allegation, of course, served later as an argument to prohibit the Dorados in April 1936 and expel its leader, General Rodríguez. Cárdenas certainly had no sympathy for fascism in any form. If indeed the German legation actively supported the Dorados - only one source reports this fact of direct intervention with Mexican internal affairs - it indicates at least the pro-Nazi character of the Dorados.

Thirdly, the Gold Shirts also found favor with General Saturnino Cedillo, who, however, avoided any open association with them. Nevertheless, the Dorados received aid from subordinate officials in Cedillo's agriculture ministry, including Ernst von Merck, ex-artillery officer in

⁷²Campbell, p. 139.

⁷³Plenn, p. 79.

⁷⁴Millán, p. 243.

the Kaiser's army and Cedillo's primary military advisor. The scattered elements of the resolved ARM subsequently supported in turn the abortive Cedillo revolt in 1938.

The affiliation of the Dorados with Nazism sometimes produced odd and curious results. In order to bring the racial doctrines of National Socialism and the Dorados' version of it into congruence, "scientific evidence" was found to equate Mexicans with the Nordic race. Dr. Krum Heller - in 1938 director of special Nazi broadcasts to Mexico - wrote to Rodríguez in May 1935:

... Mexicans and Germans are the same race, Nordics all, not only because the Spaniards were Goths, but because the Toltecs were immigrants from the North, the same as the primitive Germans, ... and the first Aztec Indians were blueeyed and with blonde hair and [only] the mixture with [Spanish Moors] brought about a dark skin. Serious studies by ethnologists of first rank prove the racial equality of the Mexicans and Nordics, and this can be shown today even by blood tests.⁷⁵

Embarrassing was only that the German anti-Hitler Pro-Culture League in Mexico publicised a copy of a Nazi Party official letter, scolding a German who married "a person of a second-race, a Mexican." Eventually the 'sinner' was thrown out of the Nazi party and ultimately the man was

⁷⁴Campbell, p. 143.

⁷⁵plenn, p. 78.

fired from his job in a German firm.⁷⁶

The Dorados in fact enjoyed the support of Germans in Mexico and probably even directly through the German legation. This aid, however, constituted only a small part of the income it received from other sources, in particular from businessmen paying them for their valuable strike breaking jobs.

The Dorados' anti-Communism and anti-semitism resembled in substance Nazi ideology as well as their exterior appearance in regard to clothing, parades and in general their paramilitary behavior. Their ultranationalism however, only applied to Mexico. They adapted Cárdenas' slogan "Mexico for the Mexicans" but appeared to mean "Mexico for certain Mexicans." Nonetheless the Dorados vehemently denied the charge which accused them of being fascists.⁷⁷ They rather used the term to accuse their opponents. "The dictatorship of the proletariat is nothing but fascist dictatorship with another name."⁷⁸

⁷⁶Ibid.

⁷⁷Campbell, p. 143.

⁷⁸El Universal, March 5, 1936. Quoted from Campbell, p. 144.

As long as Calles remained the strong man in Mexico, the Gold Shirts and their party ARM went about their activities unmolested by the government. With the Cárdenas-Calles break, however, and the subsequent expulsion of Calles, Cárdenas went to action. The described events at the Zócalo, the alleged affiliation with the German legation plus the aggressive anti-labor attitude were reasons enough for a police search of the Dorado headquarters in Mexico City. Sixteen members were arrested and General Rodríguez was accused of attempting to cause inter-labor conflicts and finally expelled from the country.⁷⁹ Despite continued, though less flamboyant action of the group, in particular in Monterrey, the official dissolution in April 1936 caused the fragmentation of the ARM and the Dorados ultimately disappeared in political insignificance after the Cedillo rebellion. In sum, the Dorados' role in Mexican politics and in regard to their connection with Germans, the Camisas Doradas remained only an episode of Mexican history.

⁷⁹See Michaels, p. 236.

The Cedillo Rebellion

German involvement in the Cedillo rebellion seems to be very likely, though most supporting evidence was produced by leftist groups, usually under the leadership of Lombardo Toledano. Evidence often derived from rumors, allegations, implications and concerned American reporters fearing a civil war and an ideological stalemate in Mexico. Even the published documents of the revolt only "implicate the totalitarian ministries in Mexico City."⁸⁰

General Saturnino Cedillo was one of the last caudillos of Mexico and had emerged from the Revolution as the predominant military leader in his native state of San Luis Potosi. During the conflict between Calles and Cárdenas he had sided with Cárdenas and was later named to the important post of the minister of agriculture. This assignment, as Plenn perceived it, was "the signal for a concentration of rightest forces."⁸¹ Indeed, Cedillo soon became the catalyst of the reaction against the leftist swing which Cardenas' administration promised. This was also the reason for Cedillo's resignation of his cabinet post in August 1937.

⁸⁰Weyl and Weyl, p. 361.

⁸¹Plenn, p. 21.

Allegedly, Cedillo used his post to support his right-wing attitudes. "The Gold Shirts were now getting more aid from officials, either in cash or jobs for their members."⁸² Responsible for Cedillo's support of this pro-Nazi group was supposedly Ernest von Merck, the caudillo's personal military advisor. Through him, "influences of German and Italian fascism trickled into the private councils of the Cedillistas."⁸³ Thus von Merck, the "German drillmaster," served as the primary proof for a Nazi-Cedillo conspiracy in the eyes of his opponents.⁸⁴

After Cedillo had resigned from his minister post, he returned to his home state of San Luis Potosí to prepare his coup. About this time, the CTM asked Cárdenas to remove Cedillo from his state to a safe spot. Moreover,

⁸²Ibid., p. 91.

⁸³Ibid.

⁸⁴For Anatol Shulgovski, the Russian historian using Marxist secondary sources, von Merck (he misspells his name as Merk) "received instructions directly from the German ambassador [sic] in Mexico, von Kollenberg." [sic: Rüd̄t von Collenberg-Böd̄igheim] Moreover, Shulgovski associates officials of the Reichswehr, the German army, with the rebellion. Disguised as 'tourists' they visited Sonora and San Luis Potosí and had "confidential conversations with Heinrich Nort, one of Cedillo's 'allegados.'" The Russian historian concludes with José Díaz, the General Secretary of the Spanish Communist party that "the armed insurrection of the General traitor Cedillo ... [was] directed and financed by the fascists." See Shulgovski, p. 372-374.

the Communists published one document after another proving Cedillo's tie with international Fascism. The Mexican police, working quietly on the case, found out that Cedillo was receiving money from organizations that had suspicious relations with the German legation and many German business houses.⁸⁵

Indeed, fears now aroused that Cedillo could create another Spain. During the exciting days after 15 May 1938, the first day of the revolt, other alleged German alliances with Cedillo were made public. La Prensa reported that Jorge Ubico, dictator of Guatemala, who was also receiving Axis aid, was willing to put Guatemala at the disposal of Cedillo in a manner similar to the way Salazar had done in Portugal in regard to the Franco cause.⁸⁶

Moreover, it became now apparent that racism constituted one of Cedillo's ideological pillars, particularly anti-semitism which "bore a Nazi stamp."⁸⁷ In the General's subversive manifesto of May 15, 1938 he declared that he was fighting against "the Jewish conception," and accused Cárdenas of identifying Communism with the word

⁸⁵ Millán, p. 251.

⁸⁶ La Prensa, May 21, 1938.

⁸⁷ Campbell, p. 184.

collectivism.⁸⁸ Cedillo's manifesto reveals his position as of being strongly opposed to Cárdenas, his old friend, and the president's policies. But the caudillo's complaints did not coincide with new proposals. This anti-attitude, as we have seen above, is an essential element of fascism.

Finally, Cedillo was made responsible for the extension of German influence in Mexico. It was claimed that General Ramón Yocupicio, governor of Sonora - "the state that gives Mexico its presidents and revolutions"⁸⁹ - was involved in the Cedillo plot. Supposedly the Sonora governor received arms and funds from German agents, who had been drifting into his state. Suspiciously was also that, "although Wilhelm Hesselmann [German consul in Guaymas and presumable ringleader of Axis espionage in Sonora] had no apparent dealings with the state, he frequently visited General Yocupicio in Hermosillo."⁹⁰

Yocupicio's alleged alliance with fascist forces had

⁸⁸The manifesto is published in the Manchester Guardian, May 31, 1938. Here it is quoted from Campbell, p. 184.

⁸⁹Virginia Prewett, Reportage on Mexico, New York: E.P. Dutton, 1941, p. 156.

⁹⁰Ken, April 20, 1939, p. 15. Cited in Campbell, p. 183.

already begun in 1937, after Lombardo Toledano had sent his "agitators" to Sonora in order to organize the workers. Many of Toledano's men were jailed by the governor for "activities deemed dangerous for the state." This had provoked leftist protest in which Yocupicio was labeled "fascist and clerical enemy of the workers." A secret report to Cárdenas about the incident exonerated the Sonora governor. Besides, "Cárdenas refused to provoke a conflict by forcing Yocupicio from power, especially in view of the fact that while Yocupicio has not the armed forces of Cedillo at his back, he is immensely popular with the vigorous Sonorans."⁹¹

The "officially approved biography" of Cárdenas,⁹² written by Nathaniel and Sylvia Weyl, informs us that during Cedillo's preparatory period, Cárdenas had received voluminous reports concerning Cedillo's negotiations with Gold Shirt leaders, conservative business groups, and Nazi agents for the financing of an insurrection against the government.⁹³ Other sources emphasize this fact, even though

⁹¹Randall Pond, "Rights and Lefts in Mexico", Commonweal 27, Dec. 10, 1937, p. 174.

⁹²Prewett, p. 92.

⁹³Weyl and Weyl, p. 190.

some charges against Cedillo were brought to Cardenas by Mexican leftists "who hoped by so doing to discredit the rightists."⁹⁴ Lombardo Toledano, leader of the CTM, exposed what he said was a plot to overthrow the government. Pointing to Cedillo's Las Palomas ranch, where preparations were getting under way for military action and where foreigners arrived "on mysterious missions," the workers' leader gave names and addresses. Consequently, the police arrested some of the alleged conspirators, after it had found "a pile of dynamite bombs."⁹⁵ Cárdenas, however, had them released.

Why did Cárdenas move so carefully and so slowly in respect to this perceived fascist threat caused by Cedillo, while at the same time his "agents ... increased vigilance ... [and watched] all these steps of Cedillo closely."⁹⁶ The reasons are threefold. First of all, Cedillo had been hitherto one of the most faithful supporters and a good friend of Cárdenas. Thus the President waited patiently

⁹⁴Campbell, p. 183.

⁹⁵Plenn, p. 92.

⁹⁶Ibid.

"until events disillusioned the peasantry about Cedillo."⁹⁷ He even gave his old comrade of Revolutionary battles several opportunities to get detached from the movement which Cedillo himself had initiated.⁹⁸ Cárdenas' strong attachment is documented in his recommendation to Cedillo to accept a pension and safe conduct to the U.S., after the insurrection was crushed. It was also reported that Cárdenas wept when he learned that government troops had tracked the caudillo down and killed him.⁹⁹ On the other hand, some argued, Cárdenas had his method behind "this charitable madness, that he [gave] people enough rope to hang themselves and then quietly tighten[ed] the cord."¹⁰⁰

Next, as Campbell makes his case, Cárdenas feared the involvement with foreign governments which would have caused international conflicts undesirable for the Mexican government any longer. Cárdenas rushed in a contingent to the state capital to face the rebels directly and

⁹⁷Weyl and Weyl, p. 190.

⁹⁸Plenn, p. 93, describes the loophole that Cardenas provided: "The War Department ordered Cedillo to Michoacan state as military commander. Cardenas was bringing all threads together. He wanted to give Cedillo a way out." But the caudillo rejected this offer.

⁹⁹Weyl and Weyl, p. 191

¹⁰⁰Millán, p. 247.

government at the time because of the oil expropriation.¹⁰¹

The confrontation would have been presented from

two sectors: Europe, especially Germany, and the U.S. The cause of it would have been the revelation of the aid given by Nazi subversive agents and United States companies operating in Mexico to the Secular Radical Right and Cedillo.¹⁰²

Indeed, Cedillo had never made any attempt to hide his fascist tendencies and even direct contacts with the German legation, members of which joined him in his "wining and dining."¹⁰³

Finally, for Cárdenas it was a matter of political timing. While keeping the revolt localized to San Luis Potosí, he - correctly - figured that the rebels' drive would diminish by itself. When the San Luis Potosí state legislature declared that it would not recognize the federal government any longer, Cárdenas rushed in a courageous move to the state capital to face the rebels directly and declared in a communique:

With regard to General Cedillo ... the Federal

¹⁰¹See the editorial of La Prensa, May 19, 1938.

¹⁰²Campbell, pp. 180f.

¹⁰³Frank L. Kluckhohn, The Mexican Challenge, New York: Doubleday/Doran, 1939, p. 206.

authorities will grant him all rights as citizen on the understanding that he must abstain from forming armed groups and put at the disposition of the chief of the military zone the arms and munitions that he has in his power.¹⁰⁴

Cedillo, however, preferred to fight, but his rebellion was already over before it really began. Cárdenas had boosted the contingency of Federal Troops in the twelve months before Cedillo declared the state in revolt. Soon Cárdenas' troops controlled the situation and the Cedillo incident was over.

Overall, it was an all-Mexican affair. As pointed out, Cedillo surely was supported by German Nazis, morally as well as ideologically. However, the concrete quantitative amount of German material sent to Cedillo is quite unclear. But the numerous reports suggest Axis aid in preparing Cedillo's military might for his insurrection against the national government. The Mexican minister of foreign relations reported that his ministry was aware that Cedillo had contracted with German firms for the purchase of airplanes. Cedillo also had asked the German government for the services of the "German aviator Erich Stephan to act as

¹⁰⁴Ibid., p. 210.

instructor for his own budding air corps."¹⁰⁵ None of these airplanes, however, showed up.¹⁰⁶ Moreover there were newspaper reports saying that Cedillo had received arms through Tampico from Germany.¹⁰⁷

Millán claims that "German agents helped plan the entire rebellion, but it was rather difficult for them to pour arms and men into Mexico as they had done in Spain, fortunately for Mexico."¹⁰⁸ The analogy with and allusion to the prior Spanish situation and its factual resemblance, of course, intensified the perceived threat and placed Cárdenas in the position of defending democracy against fascism. Moreover, at a time, when "certain Mexican newspapers [were] printing Nazi propaganda"¹⁰⁹ and when extensions of parent groups as the National Socialist Party and the Falange Española found response to those Mexicans who had still an ethnic identity with their relevant European country, at such a time, of

¹⁰⁵Campbell, p. 184.

¹⁰⁶Kluckhohn, p. 208.

¹⁰⁷Ibid.

¹⁰⁸Millán, p. 253.

¹⁰⁹New York Times, Aug. 15, 1938.

course, fears of a fascist takeover were playing into the hands of Cárdenas.

For example, the Mexican president found support for his democratic cause in the United States. Already in January 1938, in view of the expected Cedillo rebellion, U.S. Congressman Jerry J. O'Connell of Montana had predicted a Nazi uprising within two months in Mexico and stated: "we have proof that Germany is supplying arms and ammunition to an army ... under General Cedillo."¹¹⁰

No doubt, Cedillo would have been friendly to Nazi Germany, if he had been successful with his uprising. Nevertheless, it seems, that he would not sold out the country to the fascist powers and in particular to his German supporters. His revolutionary roots and his nationalistic love to Mexico were simply too profound. As Plenn emphasized, one of the reasons why Cedillo failed, was, ironically, that he was not fascist enough:

Many enemies of Cedillo quickly labeled him a fascist. It is undoubtedly true that his arbitrary methods of government, his authoritarianism, his absoluteness, are the methods of fascism. It is true, also, that among his most militant teachers were groups that want to see a system of fascism implanted in Mexico. However, one of Cedillo's big

¹¹⁰New York Times, Jan. 30, 1938.

drawbacks as a fuhrer nominee was precisely that he was not fascist enough. If he had been more of a fascist, if he had learned [from the alleged German agents, one might add] more thoroughly the demagogic methodology of fascism, if his machine had penetrated the labor movement instead of hostileizing it, he might have been throwing parties in Chapultepec today.¹¹¹

Plenn's observation goes to the heart of fascism theory. Cedillo exactly lacked the will to power for power's sake. His scruples, his belief in the just cause he was fighting for and against one of his best friends, President Cárdenas, indeed impeded him to employ the fascist means in toto. His sympathy to National Socialism was not enough to make him a full-blooded fascist who could employ ruthlessly the fascist methods as Hitler had done in Germany.

Anti-Semitism and Anti-Communism

Anti-semitism was one central topic which all rightest groups in Mexico (as in many other countries) adapted. The seed for the prejudice against Jews undoubtedly lay in media propaganda, in particular through the German news services and by bought newspaper space. "The most direct form of building up Mexican sympathy for the Nazi program is undoubtedly the financing of Mexican writers and organizers

¹¹¹Plenn, p. 96.

of fascist groups, with a heavy play on anti-semitism."¹¹²

In 1938, the fourth edition of the anti-semitic pamphlet The International Jew appeared in Mexico; moreover the Protocols of the Elders of Zion¹¹³ were for sale and also printed in right-wing journal Omega.¹¹⁴ Both books did not have a popular sale, yet, they were used "as standard textbooks by all the fascist and pro-Nazi mouthpieces of Mexico."¹¹⁵

If we again apply Laski's definition of fascism as the defense of the middle class against the onslaught of the masses, one finds that anti-semitism served the middle class to find a scapegoat for the economic ills of the middle

¹¹²Ibid., p. 74.

¹¹³The Protocols of the Elders of Zion was the bible of the Nazis in regard to anti-semitism. In particular Alfred Rosenberg, the chief ideologist of the Nazi party, supported the dissemination of the pamphlet. It was an "implausible forgery concocted by the czarist secret police at the turn of the century [and] purported to disclose the secret plans of the so-called international Jewish conspiracy." By the way, Hitler wrote in Mein Kampf that it was "incomparably" done. See Lucy S. Dawidowicz, The War Against the Jews, New York: Bantam, 1975, p. 20.

¹¹⁴Omega, Jan. 11, 1938.

¹¹⁵plenn, pp. 75f.

class. Consequently, its right-wing publications Omega and Hombre Libre frequently carried anti-semitic editorials which always tied the Jews with the Communists' attack on the church and private property.¹¹⁶ Typical headlines were "Como roban y como han robado al mundo los israelitas"¹¹⁷ and "Los judíos y el comunismo."¹¹⁸ The linkage of Jews with communism may be called a typical fascist feature, since communism, as we laid down above, constituted the anti-thesis to fascism.

Paradoxically, the quantity of anti-semitic publications was highly disproportionate with the regional unimportance of Jews. Kluckhohn talks of a total of 18,000 Jews in Mexico,¹¹⁹ while Weyl cites 30,000.¹²⁰ Both numbers mean less than 0.1% of the total Mexican population. Hence the permeation of anti-semitic doctrine must be viewed as a result of external forces. Since the "Jewish Question" was

¹¹⁶See Michaels, p. 236.

¹¹⁷Omega, Feb. 3, 1938

¹¹⁸Hombre Libre, Dec. 13, 1937.

¹¹⁹Kluckhohn, p. 84.

¹²⁰Weyl and Weyl, p. 360.

in particular raised by the German National Socialists, the German propaganda machine seemed to be responsible for the relatively successful dissemination of anti-semitism in Mexico. Frank Kluckhohn, the New York Times reporter in Mexico at the time, offered an explanation:

The reason for the German paid anti-Jewish propaganda is not far to seek. The emigration of large numbers of Jewish refugees to Latin America, German officials feel, might easily tend to promote anti-Nazi feeling in Pan-America.¹²¹

Apparently the propaganda even crept into government circles. Already up to 1937, confidential circulars to the Mexican consular services had advised "to prevent the entry of Jews."¹²² Moreover, the National Revolutionary bloc of the Senate had asked the Secretary of Gobernación to compile and send to Congress a list of Jews in Mexico, a report of their status under Mexican law, and an estimate of the amount of capital they had in the country. It was believed that the anti-semitic campaign resulted from the fear of Mexican small businessmen of Jewish competition.¹²³

¹²¹Kluckhohn, p. 88. also New York Times, Nov. 2, 1938.

¹²²Weyl and Weyl, p. 360.

¹²³New York Times, Nov. 8, 1937.

In August 1938, Fernando Amilpa, a prominent member of the CTM, delivered a speech in the Chamber of Deputies attacking the Jews as typical capitalists who had arrived in Mexico as penniless foreigners and had then come to dominate Mexico's wealth. Amilpa felt that the Jew was the worst type of capitalist.¹²⁴ In October 1938, the "callous" attitude of the Secretary of Gobernación, Ignacio García Tellez, refused to allow twenty-one Jewish refugees to land on Mexican shores.¹²⁵ They had to return to their "lands of persecution" despite proper tourist visas, money deposits in Mexico and the fact that they came from Nazi concentration camps.¹²⁶ On October 15, 1938, a decree was enacted tending to cripple all serious efforts of refugee colonization. Two weeks later, the "notoriously corrupt department of García Tellez, honeycombed with fascist officials," announced immigration quotas that gave a thousand gentile immigrants to each of the three major fascist powers, but limited total Jewish entry to a hundred annually.¹²⁷

¹²⁴Debates de la Cámara de Diputados, Aug. 18, 1938. Cited in Michaels, p. 236, footnote 12.

¹²⁵Kirk, p. 360. See also New York Times, Nov. 2, 1938.

¹²⁶Kluckhohn, p. 86.

¹²⁷Weyl and Weyl, pp. 360f.

Yet, according to Isidro Fabela, "el Gobierno del Gral. Lázaro Cárdenas ordenó a la delegación permanente de México ante la SdeN [League of Nations] ... la defensa de la causa israelita."¹²⁸ Apparently the Cárdenas administration seemed to be divided on this issue, since even CTM members attacked Jews in Mexico.

Some smaller organizations such as the Unión Nacionalista Mexicana (UNM) and the Vanguardia Nacionalista Mexicana made their hate against the Jews the sole purpose of their existence. Both groups perceived the newly established unions which were integrated in the PRM as a complot of international Jewry conspiracy. In their view, the CTM was the instrument for enslaving the Mexican worker by the government and Russian Jews, while the ejido was a Jewish banker's device to enslave the peasant.¹²⁹ La Vanguardia circulated leaflets in Mexico City, entitled "Jewish Blood, Jewish Blood, and Still More Jewish Blood Must Flow if Our Beloved Fatherland Is To Be Saved." The party's "dwarfish fuhrer," Antonio Escobar admitted "the

¹²⁸Isidro Fabela, La Política Internacional del Presidente Cárdenas, México, D.F.: Editorial Jus, 1975, p. 80. See the whole chapter "La Tragedia Israelita" in Fabela's book, pp. 75-81.

¹²⁹Campbell, p. 163.

full sympathy of the German ministry even though "we are a purely Mexican organization."¹³⁰ The Vanguard's emulation and admiration for the German treatment of Jews must have been overwhelming, since they boasted that the party had issued orders to its sections "for a campaign of direct action to exterminate the 30,000 Jews in Mexico."¹³¹

One of the examples for the formation of a Mexican group with a program based on the anti-semitic, anti-communist formula (which had been so successful in Germany) was the "openly fascist" group Unión Nacional de Veteranos de la Revolución (UNVR). The UNVR was opposed to the growing strength of the working class,¹³² and therefore it directed itself toward the task of gathering campesinos and rural elements.¹³³ Soon the emphasis shifted from efforts to gain land grants toward a general anti-communism.

The UNVR received subsidies from the Confederación Patronal de la República (CPR), whose "role was ... in the

¹³⁰Weyl and Weyl, p. 360.

¹³¹Ibid.

¹³²Millán, p. 241.

¹³³Campbell, p. 161.

area of propaganda and finance [and which] served the function of intermediary between Mexican businessmen and foreign sources and the Secular Radical Right movement."¹³⁴ This "employer's union" drew funds for its propaganda campaigns from the biggest firms, especially the German hardware and drug importers in Mexico City. Often the propaganda material came directly from Germany.¹³⁵

This kind of propaganda, printed in Spanish by the Fichte-Bund in Hamburg and offered to Mexican employers extremely cheap, was of two sorts: one destined for employers' instruction, such as "Tactical Rules for Work Under Economic Warfare Conditions," and another, such as "Communism is the Work of International Jewry," to be distributed with the greatest caution among the workers by various organizations so that they may not have the least suspicion of whence they proceed.¹³⁶

The CPRM in turn worked close with the Asociación Española, Anti-Comunista y Anti-Judía which was founded in November 1936 by the Spanish lawyer Francisco Cayon y Cos. This sister organization of the Falange Española¹³⁷ sent

¹³⁴Ibid., p. 159.

¹³⁵See Manchester Guardian, Aug. 31, 1938.

¹³⁶Manchester Guardian, Aug. 31, 1938. Cited in Campbell, p. 169.

¹³⁷Millán, p. 242.

propaganda material, printed in Spanish in Germany, to the UNVR.¹³⁸ Moreover the CPRM supported the Confederación de la Clase Media (CCM) which received a monthly subsidy of 3,000 pesos from one American and five German businessmen.¹³⁹ For the CCM's aim to bring about an anti-communist congress in Havana, the party also received the aid of the German, Italian and Japanese embassies in various Latin American countries.¹⁴⁰ The CCM's attitude is well reflected in its congratulation letter to the Japanese chargé d'affaires after the Berlin-Tokyo Pact was signed in November 1936. It praised the "mighty German and Japanese peoples for the defense of civilization," protecting it against the "Red Terror."¹⁴¹

In sum, most groups concentrated their energy almost entirely against Jews and/or communism, with the typical anti-attitude of fascists who have nothing more to offer than criticism and destructive opposition. The emergence of

¹³⁸Fernández Boyoli and Marrón de Anglis, Lo que no se Saben de la Rebelión Cedillista, Mexico City: 1938, p. 25.

¹³⁹Campbell, p. 160. See also Weyl and Weyl, p. 361.

¹⁴⁰See Boyoli, pp. 62-66.

¹⁴¹Campbell, p. 171.

such organizations, small in size, probably rooted in their member's dissatisfaction with the Mexican system and therefore they channeled their uneasiness and criticism toward anti-semitism and anti-communism in order to find a scapegoat. Subsequently, such parties found the majority of their members in the middle sectors.¹⁴² However, the solid and stable political system of Cárdenas' Mexico could tolerate such opposition: when several ringleaders of the various fascistoid groups were arrested in Mexico City in 1939 and made responsible for anti-Jewish riots, Cárdenas released them after 24 hours, refusing to prosecute them. "But the President commented caustically, 'If these men have any constructive program to offer, we will be glad to hear of it.'"¹⁴³ By this token, the next chapter will show the limits of German propoganda and Mexican fascists in Mexico.

¹⁴²See also L.O. Prendergast, "Oil and Mexico's Future," Nation 146, June 25, 1938, pp. 717f.

¹⁴³Kirk, pp. 59f.

Chapter 7

German Propaganda Inroads

German propaganda in Mexico was primarily directed against the U.S, since its ultimate goal was to isolate North America from the Latin American countries.¹ Thus 'Yankee Imperialism' despite Good Neighbor policy was sought to be discredited. This pragmatic goal even overshadowed the usual priority of an ardently pursued dissemination of Nazi 'anti-ideology' and was also supported by the Mexican division of the Spanish Falange which worked hand in hand with the Nazis.

On the other hand, the German endeavor caused American writers to report excessively about the Nazis' ideological penetration in Mexico. Often these accounts tended to perceive single pro-German expressions as an indicator of a successful and ubiquitous German propaganda machine. By this token, this chapter attempts to put both, American

¹See Alton Frye, Nazi Germany and The American Hemisphere 1933-1941, New Haven/London: Yale Univ. Press, 1967, pp. 15ff.

contemporary articles and German propaganda efforts in Mexico, into perspective. Moreover the motives and goals of the antagonistic sides will be examined.

Nazi Propaganda and Its Limits

In order to spread out the German point of view, two main press services controlled by the Reich were set up. The Deutsches Nachrichtenbüro (DNB) was an official agency which Goebbels had created to provide "authentic" reports of German governmental actions and statements. This agency was supplemented by Transozean, a supposedly private news service but with obvious propaganda intentions.² Naturally the United Press constituted - in the words of the German ambassador in Chile - "Germany's public enemy No. 1" in Latin America.³

The two press services, however, proved to be too ostentatious propaganda vehicles so that most leading

²Ibid., p. 23.

³Joachim Trotz, "Zur Tätigkeit der deutschen fünften Kolonne in Lateinamerika von 1933-1945," Wissenschaftliche Zeitschrift der Universität Rostock, No. 1/2, 1965, p. 124. My translation.

dailies in the Latin American countries dismissed them.⁴ Consequently, the Propagandaministerium (PROMI) under the demagogue Joseph Goebbels pursued other ways to influence the opinion abroad. Therewith, "the campaign would be heavily subsidized and not limited by financial consideration," as the PROMI's general directive emphasized in 1933 to the Reich representatives of the Western hemisphere.⁵

One technique was simply bribe, or how it often was euphemistically circumscribed, "to buy newspaper space." The Transocean and DNB dispatches were already at free disposal - in contrast to United Press - but more often German agents even promised reimbursements if their reports would be printed without abridging them. The New York Times reporter Kluckhohn described this habit in Mexico.

Every special interest in Mexico knows that, so long as what it wants to say does not run contrary to official policy, the price of a front-page article in several of the newspapers is two pesos a line ... [and] are run as news accounts, not advertisements.

⁴See Frye, p. 23 and Trotz, p. 125.

⁵See Ernst Kris, "German Propaganda Instructions of 1933," Social Research, 9, Feb. 1942, pp. 46-81.

Editorials also are freely sold by the line.⁶

Soon, contemporary observers noticed "highly colored newspaper stories, pro-Nazi editorials and articles."⁷ Besides the already described right wing organs Omega and Hombre Libre with their strong anti-Jewish content, leading Mexico City dailies and journals printed pro-German stories. Prewett reported that Germans sent mimeographed bulletins to the majority of the newspaper offices in Mexico City every day.⁸ The influential dailies of the capital, Excélsior and Novedades, were generally regarded as "the journalistic condottieri of the Axis."⁹ These articles usually emphasized the greatness and honesty of Germany's lofty goals of her national socialistic economy and stressed her cultural achievements as opposed to the evils of the "imperialistic" U.S. By this token, Ultimas Noticias, the evening edition of

⁶Frank L. Kluckhohn, The Mexican Challenge, New York: Doubleday/Doran, 1939, p. 84.

⁷Jaime Harrysson Plenn, Mexico Marches, Indianapolis, N.Y.: The Bobbs-Merrill Co., 1939, p. 71.

⁸Virginia Prewett, Reportage on Mexico, New York: E.P. Dutton, 1941, p. 302.

⁹Nathaniel and Sylvia Weyl, The Reconquest of Mexico: The Years of Lázaro Cárdenas, New York: Columbia Univ. Press, 1942, p. 361. See also Plenn, p. 70 and Kluckhohn p. 85

Excelsior, polemically commented on a speech by U.S. Senator Reynolds, who had suspected a German conspiracy in Mexico:

Does the Nazi conspiracy perhaps consist in that the German automobiles now reach in greater volume ... that their prices is low, and that they are not interested in seducing the buyer each year with new models that leave him broke, and that therefore we have stopped buying American automobiles?

Or is it part of that terrible propaganda that the possibility of establishing airlines with German planes would menace the monopoly of Pan-American Airways in our countries?

... But, in spite of the demagogic speeches of the Reynoldses, the people of Latin America know, and will not easily forget, that the Colossus of the North has a colossal stomach through which, like the ventriloquist^s, it speaks in accordance with its convenience.¹⁰

Of course, here the trade rivalries between the U.S. and Germany are reflected. But more important is the unveiled sympathy for Nazi Germany's economic achievement of cheaper industrial goods. The article gives impression to a German industry for the people in contrast to the capitalist hunger of the U.S. A considerable amount of disgust for "the American Way" is generated and that was exactly one of the main goals of the PROMI: to crack the hemispheric cooperation and solidarity of the Latin countries and the U.S.

¹⁰Ultimas Noticias, Jan. 11, 1938. Translated by Plenn, pp. 74f.

Along the same line, Germany's innocent record in the hemisphere was contrasted against North American expansionistic sins there. One street poster "that was plastered all over Mexico one night" carried the following message.

We deplore the conduct of some American governments who ... are trying to protest the noble and patriotic attitude of the German people in punishing severely a country that has always been in favor of domination of the world by illicit means, [while] these American protests are only attempting to maintain an archaic doctrine called the Monroe Doctrine, which is a shame against the liberty of these American peoples.¹¹

Then the poster asked a rhetorical question which attempted to turn anti-Americanists into German sympathizers: "Why be against this patriotic, intelligent, hardworking and virtuous nation, only to please Uncle Sam?" In the same manner wrote the pro-German La Semana:

Not with one inch of soil nor with a single one of her sons should Mexico aid the Yankees, who have submitted [Mexico] to the blackest humiliations.¹²

It reminded the reader at the loss of half of Mexico's territory in the nineteenth century to the U.S. In the same issue the journal depicted Hitler, Mussolini and Pétain

¹¹Prewett, p. 299.

¹²Ibid., p. 302.

printing the subtitle in a gothic type. Prewett even reported about German propaganda bulletins for the Mexican army. Here Joseph Goebbels' favorite tool of propaganda was used: constant repetition of the 'truth' as viewed from the Nazi's standpoint.¹³

The "greatest gringo hater in Mexico," José Vasconcelos also converted his antipathy against the U.S into German admiration. He had been minister of education in the early twenties when the great Mexican cultural renaissance (e.g. the muralists Rivera, Orozco etc.) began and was one of the most influential and distinguished Mexican intellectual. As editor of the weekly magazine Timón he printed articles, which "were spewed forth from Viena 17," the address of the German "propaganda headquarters."¹⁴

As a consequence of the anti-American press in Mexico and of a general anti-"gringo" mood in Mexico, American writers - journalists, travellers, politicians and Americans living in Mexico - started dedicating their skills to stem the hostile opinion and began in turn to emphasize the

¹³Ibid.

¹⁴Betty Kirk, Covering The Mexican Front: The Battle of Europe vs. America, Norman: Univ. of Oklahoma Press, 1942, p. 300.

German menace in Mexico. They felt that this devotion is urgently necessary, since they observed an apparently ubiquitous German propaganda. Fear and nationalism helped to incite their enterprise of counterpropaganda.¹⁵ From a feeling of national self-defense, these writers often exaggerated the German influence in Mexico as a whole by overstressing single actions which they perceived as part of the German agent organization and wide spread propaganda activity. In this context the quotations above, mostly taken from accounts of these American writers, have to be placed in perspective. Single articles and single pro-German activities are not proof enough for a well defined and well organized German propaganda activity, though - as we shall see - initiatives for this were present, but which nevertheless found their limits.

For this reason one must not overevaluate reports which tell about Germans going out to the countryside and showing propaganda stories in pictures or as movies for the the illiterates.¹⁶ The same author was also wondering, why "there are places of business either owned or partially staffed by Germans facing the entrance of (a) the American

¹⁵See chapter VIII in this book.

¹⁶prewett, p. 303.

Embassy in Mexico City, (b) the American Consulate and (c) the Ambassador's residence."¹⁷ Some observers even perceived German "master plans" for the conquest of Mexico and suspected a perfect espionage organization behind it.

The espionage front was directed by Baron Frederik von Schleebrugge, who came directly from the conquest of Poland to organize air, naval and military espionage... Von Schleebrugge's henchmen for his master job here were Karl Kordes ["the Nazi dictator of the German school"]¹⁸, Hans Hellerman, and George Nicolaus ["who headed a smoothly running center of the Gestapo in Mexico City"].¹⁹ ... So Germany sent a trio of experts, trained in Spanish and Latin American psychology and methods, to coordinate and set into action the Axis fifth column in Mexico.²⁰

Though this statement was written after the outbreak of war in Europe, which, of course, heightened fears, the other quotes underline the general uneasiness already felt before WW II. American political observers had seen the consequences of the persuasive character of the brainwashing slogans of the PROMI in Europe, justifying the annexation of

¹⁷Ibid., p. 298.

¹⁸Kirk, p. 256.

¹⁹Allan Chase, Falange: The Axis Secret Army in the Americas, New York: G.P. Putnam's Sons, 1943, p. 150

²⁰Kirk p. 297.

Austria and the acquisition of big chunks of Czechoslovakia. But the situation in Mexico was different and the promotion of National Socialism or of any kind of fascism through directed propaganda from outside was impeded by several factors:

- Cárdenas' policies
- the comparatively small German community in Mexico
- FDR's Good Neighbor policy
- the cultural differences

First of all and probably most annoying for the propagandists, there was the immense popularity of Lázaro Cárdenas. His progressive and innovative state socialism, his never tiring attention for listening to workers and peasants and the resulting reform program convinced wide portions of the Mexican people.²¹ The popularity of the President is best described by a school teacher who said of a visit by Cárdenas: "Calles came here at the head of an army. Cárdenas only armor is the love of the people."²² In restructuring the Revolutionary Party Cárdenas secured the

²¹That the socialist state of Cárdenas was the chief obstacle to the expansion of fascism is also stated by: René Marchand, L'Effort Démocratique du Mexique, Paris: Editions Fustier, 1938, pp. 182-186.

²²Weyl and Weyl, p. 5.

support of the peasantry and worker unions as the backbone of his reform policies. In general, the different subdivisions within the Party tended to take a left wing position, in particular the CTM under Lombardo Toledano's leadership. Leftist oriented organizations clearly outweighed the right wing ones in regard of size and influence. Also the former were in general more incorporated within the one party system.

Comparable to F.D.R.'s New Deal program, Cárdenas policies sought to recover from the Depression without neglecting factors such as the maintenance of individual self-respect and social justice. Unlike Hitler's ideology who promoted military habits and hierarchical patterns by political organization and tight discipline, Cárdenas always saw and respected the individual first, and perceived him as a human like any body else without any discrimination based on rank, skin color, religion or the degree of wealth. With this attitude, Cárdenas won fame. There is also no doubt that Cárdenas had no sympathy whatsoever for Fascism - quite in contrast to Calles.²³ In sum, his policies were too populist to incorporate a contrasting political order such

²³See Klaus Volland, Das 3. Reich und Mexico, Frankfurt/Bern: Lang, 1976, pp. 48-52.

as Nazism, a fact which the PROMI probably realized.²⁴ Therefore it concentrated on and exploited the already underlying "Yankee" aversion in Mexico.

The apparently contradictory fact that even official newspapers were permitted to publish pro-Hitler articles probably has two motives. First DAPP, the government press bureau, wanted to demonstrate Cárdenas' promise of a free and democratic press without censorship. Secondly, official Mexico had to establish and display superficial political friendliness to her new oil client after the expropriation. To the first reason one might add that this free press philosophy was at least practised since the domestic

²⁴Yet, Cárdenas also rejected the Soviet experiment in socialism because it substituted the "individual boss" with the "boss-state." Cárdenas defined his conception of the role of the Mexican state: "The function of the Mexican State is not limited to being a simple watchdog of public order ... nor is the State recognized as a monopolist of the national economy, but our concept of the State is that of a regulator of the great economic phenomena which occur under our system of production and distribution of wealth." In another speech, Cárdenas stated that the future of Mexico lay in consumers' and producers' co-operatives. See Plenn, p. 140. See also Robert Paul Millon, Mexican Marxist: Vicente Lombardo Toledano, Chapel Hill: The Univ. of North Carolina Press, 1966, p. 135, footnote 69.

governmental policies were not strongly criticised.²⁵

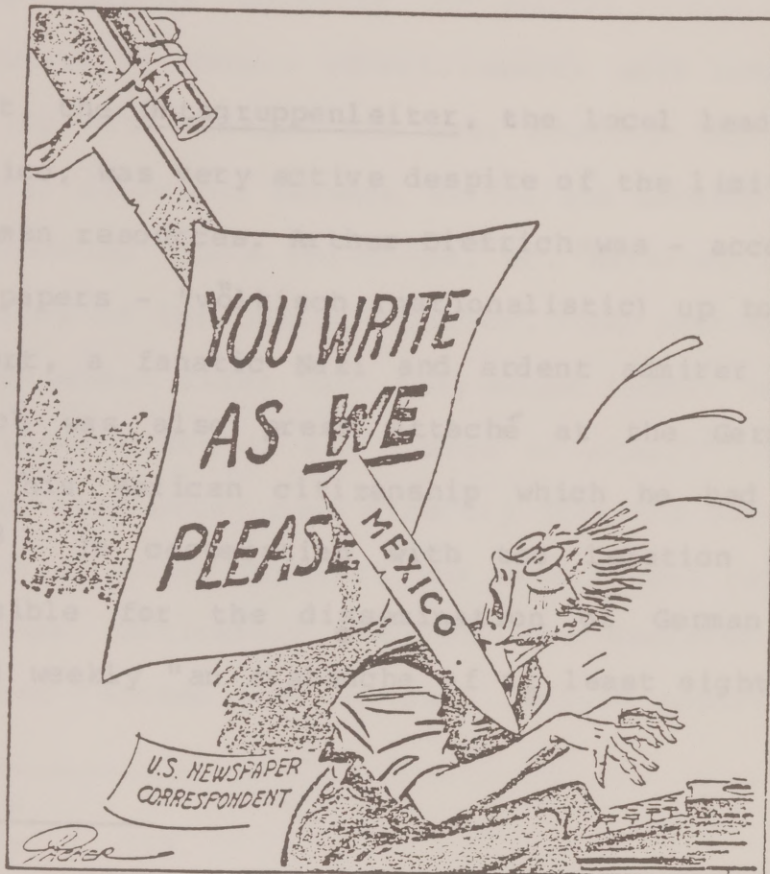
The second difficulty for successful German propaganda and a more technical factor was simply the geographical inaccessibility of Mexico, while simultaneously a strong German community - the condition for a promising propaganda machinery abroad - was lacking. Unlike the ABC countries, the share of German Reichsdeutsche (German nationals) and Volksdeutsche (Germans of Mexican citizenship) was very low

²⁵The expulsion of Frank Kluckhohn, the New York Times correspondent, in 1939 is a case in point. His critical articles about Mexico, sometimes based on unreliable informations, led to the culmination of uneasiness within the DAPP and government circles. Undersecretary Beteta thought that Kluckhohn was the worst enemy Mexico had. Nevertheless he preferred to keep Kluckhohn in for sake of press freedom. But the trouble was that - in American ambassador Daniels' words - "the DAPP gives out no news except that which is propaganda for the government, and naturally newspaper men resent the attempt to make them propagandists and this resentment tends to make them more critical [one might add: more credulous and prone to other informations] than they would be if they could get the news as it is." (Josephus Daniels, Shirt Sleeve Diplomat, Chapel Hill: Univ. of N. Carolina Press, 1947, p. 409.) For more reports about the function of DAPP, see also Plenn, pp. 333f.; Kluckhohn, pp. 257ff.; and Harry Ignatius Stegmaier jr., From Confrontation to Cooperation: The United States and Mexico 1938-1945, Diss. Univ. of Michigan, 1970, p. 91.

Interestingly Kluckhohn himself saw the responsibility for his expulsion in a "small Government clique, including one official who was quite close to the German Embassy [sic] at the time." (Daniels, p. 411)

See also the political cartoon about censorship in Mexico on the next page.

Our "Good Neighbor"



Source: Burt M. McConnell, Mexico at the Bar of Public Opinion, New York: Mail and Express Publishing Company, 1939, p. 274.

in Mexico. The only estimate which could be obtained suggested that about 6,500 Germans were living in Mexico in 1930, thus they constituted less than 0.1% of the total population.²⁶ In contrast, in Argentina by the mid 1930's, 250,000 German speaking inhabitants had settled and were integrated, while still maintaining strong ties with the Reich.

Yet, the Ortsgruppenleiter, the local leader of the AO in Mexico, was very active despite of the limited financial and human resources. Arthur Dietrich was - according to his Party papers - "völkisch (nationalistic) up to his bones;" in short, a fanatic Nazi and ardent admirer of Hitler.²⁷ Dietrich was also press attaché at the German legation despite his Mexican citizenship which he had attained in 1932.²⁸ In cooperation with the legation Dietrich was responsible for the dissemination of German propaganda, sending weekly "an avalanche of at least eighteen pro-Axis

²⁶Iberoamerikanische Rundschau 1, No. 9, Nov. 1935, p. 287. See also Friedrich Wilhelm Schroeter, "Das Deutschtum in Mexiko," Der Auslandsdeutsche 21, 1938, p. 517.

²⁷Volland, p. 45.

²⁸Ibid., p. 19.

publications flooding the Mexican newsstands."²⁹

Apparently the cooperation between the AO and the German diplomats in Mexico went surprisingly smooth.³⁰ On 16 September 1938, the anniversary of Mexico's declaration of independence, Excélsior published a special section devoted to the foreign colonies of Mexico. This section was overwhelmed by German advertisements amid lengthy articles extolling Nazi culture and Nazi economy, and exalting the wonderful relations between Mexico and Germany. In the wake of burgeoning trade relations, Dr. Heinrich Nolte, chargé d'affaires of the German legation, "had sent word around to all the German firms that they would better take an ad for the greater glory of der Führer or else."³¹ The political pressure thus often came directly from the legation and not from the AO under Dietrich who usually was responsible for propaganda. Ultimately Dietrich was declared persona non grata and "kicked out" in June 1940,³² apparently for his

²⁹Kirk, p. 298.

³⁰It was "surprisingly" because there were institutional rivalries between AO and Foreign Office which were caused by overlapping competences. See Frye, pp. 107 - 112.

³¹plenn, p. 72.

³²Kirk, pp. 298-300.

continued propaganda efforts on behalf of the Axis, which were then embarrassing for Mexico in view of her declared neutrality in the European conflict.³³

The third restraining factor for German propaganda was the improved relationship between the U.S. and Mexico. Despite some disagreements, especially during the boycott of the oil companies, F.D.R.'s Good Neighbor policy was faithfully and successfully implemented by Josephus Daniels, his long-term friend and ambassador to Mexico. Daniels himself asserts that Roosevelt's doctrine

cemented the friendliest relations on both sides of the Rio Grande [and that] its acceptance and practise laid the foundation for the perfect cooperation which made the Western Hemisphere the arsenal of united neighbors which at least helped to save the world from the threat of totalitarianism.³⁴

The Good Neighbor policy indeed proved overall

³³Dietrich's propaganda activities had even worried the U.S. embassy in Mexico City, as well as State Department officials in Washington. U.S. army intelligence reports call him a "master" at his work. (See Harry I. Stegmaier jr., From Confrontation to Cooperation: The U.S. and Mexico 1938-1945, Diss. Univ. of Michigan, 1970, p. 91.) The American charge d'affaires Pierre Boal reminded Mexican Secretary of Foreign Relations, Eduardo Hay, in that Dietrich's propaganda efforts were as equally inimical as the anti-Mexican articles in the U.S. press to friendly relations between the two countries. (Ibid.)

³⁴Daniels, pp. VII-IX.

successful. In the next chapter it will be seen that the good relations between Mexico and the U.S. led to a mutual understanding and harmonious agreements on the Pan-American Conferences on which the hemispheric solidarity vis a vis the fascist infiltration were discussed.

Finally, the cultural differences represented another important obstacle for German agents. As de Jong pointed out

National Socialism as an ideology was unacceptable to the large masses in South America. The continent, steeped as it was in Spanish ... culture, and with French cultural influences also at work, did not fancy Prussianism. The glorification of one race was downright objectionable to peoples who were being formed through a mingling of races - a process which was becoming increasingly intensive. The principles underlying the Nazi movement were the opposite of those recognised by South and Central America. The brutish and harsh zeal of the Germans went against the grain of the somewhat indolent, ceremonious Latin Americans, who are so strongly imbued with ideas of personal honour. Those Latin Americans were all the more painfully struck by every kind of sign that showed that the National Socialists not only kept themselves aloof from the growing cultural unity of that part of the world, but were even starting to form exclusive, German communities. ... [The Times (London), June 26, 1938, reminds:] "All that South America asks of the immigrant is that he should assimilate; and newcomers are liked or otherwise in proportion to their willingness to forget the land of their parents."³⁵

³⁵Louis de Jong, The German Fifth Column in the Second World War, Trans. C.M. Geyl, Chicago: Univ. of Chicago Press, 1956, p. 28. Jong's emphasis.

Indeed the racist theories employed by the Nazis arose a good deal of disgust on behalf of the Mexicans. With Cárdenas' emphasis of Mexico's Indian past (he named his son Cuauhtémoc) this contrast became even stronger. Moreover Hispanidad and the inherent Catholic fervor of the Mexican people was in direct opposition to the Nazi ideology.³⁶ Yet, German agents supposedly deviated these cultural restrictions by employing Spanish Falangistas in Mexico for their goals. But the Spaniards' success turned out to be limited.

Probably the established German propaganda network, small but efficient, helped to develop the Falange organization in Mexico, because "the Nazis in Mexico were able to sell [to the Falangistas] the idea that the triumph of the Axis in Spain would be the preliminary to the establishment of a Falangist state in Mexico."³⁷ Even though such plans were utopic in view of the described obstacles that the German propaganda faced, the roots Spain and Mexico shared - Hispanidad and Catholic Church - facilitated the common goal of the Falangistas and Nazis. Stegmaier evaluates the Spaniards' success.

³⁶See Gaston Nerval, "Europe versus the United States in Latin America," Foreign Affairs XV, 4, July 1937, pp. 636-638.

³⁷Chase, p. 151.

Because they spoke Spanish fluently, these agents gained important positions and won the confidence of influential Mexicans. For this reason, the Falange proved more effective than the Nazis themselves in subversive activities. Members of this group could operate where the Nazis could not, and they were able to hold key positions, closed to Nazis, in which they could serve their cause advantageously. In addition to providing the Nazi organization with information ... the Falange also stirred up anti-United States, anti-Allied feeling.³⁸

Most of the Falange activity in Mexico, however, took place after 1940. Therefore its connections to Germany are reviewed only for the period in interest.

"The most dangerous and deadly of all Franco's organizations" was the military intelligence service SIM (Servicio Inteligencia Militar).³⁹ Most of their members were Gestapo-trained.⁴⁰ "General von Faupel took steps to strengthen and prepare the SIM to carry the major burden of Axis espionage in Mexico."⁴¹ The SIM agents worked from within the Mexican government and became most important as a source of information for German agents when the German

³⁸Stegmaier, p. 98, based on U.S. Military Intelligence reports.

³⁹Kirk, p. 285.

⁴⁰See Kirk, p. 258, Chase, p. 158 and Stegmaier, p. 98.

⁴¹Chase, p. 158.

diplomatic missions in Mexico were dissolved after Pearl Harbor.⁴²

Franco's personal representative in Mexico, Ibañez Serrano, directed Falange activities from the beginning of the Spanish Civil War. His attitude is not quite clear. In his book about the Falange, Allan Chase asserts that Serrano was "the direct link between the Nazis in Europe and the secret Fascist armies on the American border."⁴³ On the other hand, Betty Kirk quotes Serrano saying that he had no sympathy with the Nazis because of their "paganism."⁴⁴ In Kirk's view Serrano was "a diplomatic stooge" similar to the German minister Rüd̄t von Collenberg. Her downplay of Serrano's importance seems more correct than Chase's exaggerated, sometimes paranoid view about the Falange's activities in Mexico and Serrano's leading role. Serrano seemed to have been an ardent Franco admirer and thus helpful for the Falange in Mexico, but on the other hand, as a good Catholic, he was both anti-Nazi and anti-Communist.

⁴²See also political cartoon on the next page.

⁴³Chase, p. 152.

⁴⁴Kirk, p. 282.

Shades of the Spanish Main



Source: Burt M. McConnell, Mexico at the Bar of Public Opinion, New York: Mail and Express Publishing Company, 1939, p. 257.

In any case, from the beginning of 1939, the Falangistas' impact was felt in Mexico. The propelling forces were recruited in Spain and sent as militantes to the Americas. These militantes were temporarily under the direct supervision of Hans Helleman who had served for a short while as chief of the Spanish division of the Nazi Party. Late in 1938, Helleman trained Falangistas militarily in Mexico.⁴⁵ However, they mainly served as troublemakers while their political influence was of minor insignificance.

The same - German support and little effectiveness, but a lot of dust stirring - held true for the offspring of Franco's shocktroops, the Esquadra Tradicionalista. They in particular displayed anti-U.S. attitudes under their leader León Osorio. One of Osorio's favorite tactics was to pay a group to enter movie theaters and give "Bronx cheers" when Roosevelt appeared in the newsreels.⁴⁶ Another time he threw stink bombs and itching powder in a theater, which showed Charlie Chaplin's "The Great Dictator,"⁴⁷ a movie that ridiculed Hitler and Mussolini. Leon Osorio was also member

⁴⁵Chase, pp. 154ff.

⁴⁶Stegmaier, p. 71.

⁴⁷Kirk, p. 307.

of the German Nazi Party.⁴⁸

In sum, the Falange never became politically significant in Mexico despite a fairly large propaganda machine, which included the weekly publication Hispanidad. Hispanidad preached the unity of Latin America and the expulsion of the North American oppressors from the country.⁴⁹ Even though the Falange was neither strong nor dangerous, President Cárdenas, angered by Franco's victory in Spain, outlawed the Falange and expelled its leaders in 1939.⁵⁰ Nevertheless the Falangistas' underground work continued and proved to be helpful for Germany's propaganda in Mexico and even "took over the major part of its work as Mexican pressure increased at the beginning of the 40's."⁵¹

A Mexican branch of the Nazi Party also existed, headed by a Banco Germánico official and former AO leader, Ewald

⁴⁸ Ibid., p. 284.

⁴⁹ Ibid., p. 280f.

⁵⁰ See Albert L. Michaels, "Fascism and Sinarquismo," A Journal of Church and State (Waco, Texas) 8 (2), Spring 1966, p. 237. See also Plenn, pp. 68-70 and Millan, pp. 242, 246.

⁵¹ Stegmaier, p. 98. See also Kirk, pp. 303ff.

Bork.⁵² According to Prewett, the party had 3,800 members including "the great majority of the adult males of the German colony."⁵³ A small storm troop of 250 organizers and propaganda specialists presented to Mexican sympathizers national socialist principles and the Reich's "Weltanschauung" while the German legation "used it as an instrument to stir up minor trouble."⁵⁴ The party regularly received money and instructions from the commercial attaché of the German legation, Hans Burandt.⁵⁵

In conclusion, the initiative for an extended German propaganda was undoubtedly present in Mexico. This attempt of direct influence, however, had a limited impact on Mexico's domestic policies, because of the described absorbing characteristics of Mexico's political situation.

⁵²Stegmaier, p. 96. According to Volland, p. 178, his name was Borck.

⁵³Prewett, p. 303.

⁵⁴Stegmaier, p. 96.

⁵⁵Ibid. See also Prewett, p. 303.

Mexican Troublemakers

Last, but not least the German propoganda reached the Mexican public by a few, but influential Mexican personalities who became independently convinced of National Socialism, thus proclaiming and advertising it as the Mexican solution.

One of these "Axis' strange bedfellows"⁵⁶ was Rudolfo Brito Foucher who came from a wealthy family in the state of Tabasco. In 1935 Brito had participated at the downfall of Tabascan dictator and caudillo Tomás Garrido Canabal. Brito visited Berlin in the early 1930's, was greatly impressed with the Nazi's show of force, discipline and order, and soon became associated with the various Mexican fascistoid movements. Strong anti-Americanism and probably more important, an ardent Catholicism, determined his belief. For example, Brito believed that the oil expropriation was merely another trick of the American imperialists.⁵⁷

Gerardo Murillo, better known as Dr. Atl, the "John Baptist of Mexican art," was another influential prominent

⁵⁶Kirk, p. 305.

⁵⁷See Michaels, p. 237.

Mexican who openly exalted German Nazism. In a pamphlet he answered the question "Who will win the war?" with Germany and predicted that this would lead to a confrontation between Hitler and the U.S. Since Germany as a nation "with youth, vigour and faith in themselves" would also defeat the U.S. - "a weak pacifistic people devoted to pleasure" - Mexicans were urged to renounce the Havana Pact and assert their independence from the U.S.⁵⁸ Dr. Atl's conclusion therefore was to side with the winning side: Germany. Betty Kirk commented ironically: "It would appear that the Wagnerian gods had been keeping him [Dr. Atl] company on his mountaintop."⁵⁹

But his disgust for the U.S. formed not the only element of Dr. Atl's national socialistic philosophy. The association of communism with Judaism was another of his favorite themes, blaming the Russian invasion of Finland on the "ambitions of Israel."⁶⁰ Misinterpreting Friedrich

⁵⁸See Dr. Atl, La Victoria de Alemania y la situación de América Latina, México, D.F.: Colección Acción Mundial, 1940, pp. 7-15. See also Michaels, p. 237.

⁵⁹Kirk, p. 305. The "mountaintop" alluded to Dr. Atl's home in a cave high on the volcano Popocatepetl.

⁶⁰Dr. Atl, "Finlandia heroica," El Universal, Dec. 5, 1939.

Nietzsche, Dr. Atl praised war as the highest expression of the conscience of the species and asserted that all great success of art and philosophy had been achieved as the result of military conflicts.⁶¹

In sum, Dr. Atl reflected the attitude of a few Mexicans, who were looking for a radical nationalistic solution for a Mexico, which they thought, needed regeneration and salvation. This sentiment permeated most of the groups and individuals described above. Yet, these antagonists of the Mexican system were of minor importance because the innovative Cárdenas administration just offered more to the masses than promises (or war). Again, fascism and its national socialist version was present and clearly detectable in Mexico, in particular through German agitation, but it fell on no fertile ground in Mexico. Important counteracting factors - Catholic Church, Hispanidad, no immediate communistic threat and finally a very small amount of Jews in Mexico - all impeded the development of a fascist hysteria as a mass movement. And only as a mass movement, incorporating and devouring all aspects of daily life and experience, fascism can survive.

⁶¹Dr. Atl, Paz, Neutralidad, Guerra, México, D.F.: Colección Acción Mundial, 1940, pp. 29f. See also Michaels, p. 237 and Kirk, pp. 304ff.

Thus the following quote, though coined for Argentina's political situation in mid-1937 but written in the context of the general Latin American sentiment, held also true for Mexico:

The fact is that neither Communists nor Fascists constitute more than a small minority in Argentina. There are no reasons for the existence of either of them as a political force, and it would be an error to attribute too much significance to the stir one or the other at times creates. The Argentines [as many other Latin American countries looking to the Old World] as a people have a penchant for new fads, be it clothes, amusements or political doctrines. Communism and Fascism, particularly the latter, will disappear from Argentina as did mah-jong, miniature golf and the 'art nouveaux' of the architects of 1900.⁶²

In conclusion, the German threat was more imagined than real. A current Mexican joke reflected this ambiguity. It tells that Mexico had a better secret weapon than Hitler: if he sent an army to the Americas, Mexico would expropriate it and use it against Mussolini.⁶³ Nevertheless fears at the time were very real and are understandable vis a vis the success of Fascism in Europe. Especially the Nazis were object of emulation and admiration for various Mexican

⁶²Enrique Gil, "Repercussions of the Spanish Crisis in Latin America," Foreign Affairs, 15, 3 (April 1937), p. 551.

⁶³Howard F. Cline, The United States and Mexico, Cambridge: Harvard Univ. Press, 1963 (2nd. ed.), p. 245.

Radical Rightists. Germans - from the PROMI, privately or from the legation itself - supported, morally and financially, these organizations, but ultimately the latter remained distinctively Mexican. Without genuine desire to align themselves with the European fascists, most Mexican right wing groups emerged as a reaction to the state socialism of Cárdenas. They were unliked by the Cárdenas government, though tolerated in the most cases, while in contrast the Dorados, for example, had developed unmolested and even with official benevolence, when Calles was still Mexico's Jefe Maximo.

Yet, the spectacular appearances of the fascistoid organizations in Mexico plus the experience of the civil war in Spain alerted attention, not only within the country itself, but also north of the Rio Grande. These reactions and subsequent recommendations for countermeasures in order to stop the perceived threat will be the topic of the next chapter.

¹See Robert Paul Miller, Mexican Marxist: Vicente Lombardo Toldado, Chapel Hill: The Univ. of North Carolina Press, 1954.

²Wesley Kirk, Covering The Mexican Front: The Battle of Europe vs. America, Norman: Univ. of Oklahoma Press, 1942, p. 71.

Chapter 8

The Counterforces of the German Threat

Lombardo Toledano and the Mexican Left

Naturally, the Mexican left constituted the counterforce to the perceived fascist threat. One of the foremost leading antagonists was Vicente Lombardo Toledano, not only the CTM's general secretary at the time (1936-1941), but also head of the anti-Axis oriented Latin American Confederation of Labor. With this power within Mexico and in Latin America, and as a convinced Marxist,¹ the "inter-planetary leader"² must be viewed as an influential anti-fascist force.

Lombardo's opinion found expression in the review Futuro, which he had founded and directed and which had "the

¹See Robert Paul Millon, Mexican Marxist: Vicente Lombardo Toledano, Chapel Hill: The Univ. of North Carolina Press, 1966.

²Betty Kirk, Covering The Mexican Front: The Battle of Europe vs. America, Norman: Univ. of Oklahoma Press, 1942, p. 95.

widest circulation of any left-wing political monthly in Mexico."³ As early as January 1934, Lombardo had forcefully attacked Hitler, the "grotesque dictator," for his inhumane and "anti-intellectual" activities.⁴ The labor leader considered fascism but a form of capitalism, drawing, however, a line between the different stages of fascism, viewed from his Marxist perspective of history as class struggle:

Between democratic capitalism and fascist capitalism, the first is preferable: the exploited mass can use its liberty to prepare its decisive historical action, under fascism the preparation is very difficult.⁵

At the end of 1937, Lombardo ardently criticized the violent nature and the consequences of fascism. In his view, fascism represented

the armed violence of the bourgeois regime which tries to survive by destroying the positive works of civilization, throwing the world into the bonfire of international war and into the barbarity of the

³Millon, p. 238. See Toledano, "El Valiente de Noviembre," *Futuro*, VIII, Dec. 1937, p. 5.

⁴See Vicente Lombardo Toledano, "Hitler, el Grotesco Dictador de Alemania," *Futuro*, IV, Jan. 15, 1934, p. 10.

⁵Millon, p. 108.

cruelest tyranny known to history.⁶

From this far-sighted historical view he concluded that the fight against fascism is a fight for the Mexican Revolution. Consequently, Lombardo devoted his political powers equally to his Marxist belief and Mexico. For example, he used international labor conferences in Europe to attack in particular German Nazism.⁷ However, he also held the other Western European capitalist governments responsible for the rise of fascism: he denounced Chamberlain's appeasement policy and the "lesser evil" theory which guided the rulers of France and Britain in the face of Hitler's threats as "not only a suicidal theory, but a theory contrary to the interests of humanity."⁸

Yet, Lombardo's attacks on the failures of the Western democracies must be seen in the context of the British boycott of Mexican oil. Alejandro Carrillo, a close friend

⁶Vicente Lombardo Toledano, "El Veinte de Noviembre," *Futuro*, XXII, Dec. 1937, p. 5.

⁷See Kirk, pp. 85ff.

⁸Millon, p. 109.

of the labor leader,⁹ declared in a speech at the University of Virginia in July 1938:

Mr. Chamberlain ... is the very man who advises the League of Nations to recognize Italy's conquest of Ethiopia, in violation of the League's Covenant and of the fundamental tenets of International Law, this very same Mr. Chamberlain has seen fit to take up the oil companies' fight against Mexico in the name of the British Government. To fascist aggressors and violators of International Law he will do nothing; it is democratic, weak, law-abiding Mexico he tries to harm. And all of this, of course, in the name of Democracy!¹⁰

From 1938, Lombardo always foresaw and predicted war. A special edition of Futuro which exclusively reported about the Munich Conference concluded that war was now an inevitable consequence of the Munich concessions.¹¹ At the eve of Germany's invasion of Poland he subsequently attempted to divert German oil purchases to France.¹²

⁹Carrillo was representative of the CTM and Secretary General of the Workers' University, which was founded in Mexico City by Lombardo. He was also editor of the left-wing, CTM-friendly EL Popular.

¹⁰Alejandro Carrillo, The Mexican People and the Oil Companies, México, D.F.: DAPP, 1938, pp. 23f.

¹¹See Futuro, Oct. 10, 1938 and XXXIII, Nov. 1938.

¹²Report Kuhn (German legation, Mexico) to AA, July 25, 1939 in Klaus Volland, Das 3. Reich und Mexico, Frankfurt/Bern: Lang, 1976, p. 152.

Already in June 1938, Lombardo had stated that reports, that Mexico would sell oil to Germany, were "calumnies," and that Mexico would not sell oil to any fascist country.¹³ After the Davis deal at the beginning of July 1938, however, his critics focused on Nazi politics, while the oil issue became subordinated in his speeches. His nationalism and subsequent backing of Cárdenas' oil policies at home seemed to prevail over his ideology at that point.

Nevertheless, Lombardo's consistent and sharp comments on Adolf Hitler and German propaganda spurred the German minister Rüd̄t to deliver a strongly worded note at the end of 1938 demanding the arrest and criminal prosecution of the labor leader.¹⁴ Of course, no action was taken by the Mexican government.¹⁵ The New York Times correspondent Kluckhohn perceived this German move as a trick to expand its propagandistic influence:

By heavy spending the German legation is said to have been able to control the Mexican press with the exception of the labor organ El Popular. It is suggested the real object of the note is to silence

¹³New York Times, June 3, 1938, p. 5.

¹⁴New York Times, Nov. 30, 1938, p. 17.

¹⁵Volland, p. 162.

that paper.¹⁶

The real reason is probably simpler. The German legation bore in mind that a warning such as the note would discipline the labor leader in view of the splendid economic collaboration. Moreover, Rüd̄t intended to accelerate Lombardo's declining power, as he erroneously perceived it.¹⁷

With the Hitler-Stalin non-aggression pact in August 1939 and the subsequent outbreak of war in Europe, Lombardo Toledano's attitude changed in accordance with the new Soviet posture. Nevertheless his anti-fascist position remained unaltered, even though less flamboyant, while he emphasized now the necessity of pro-Allied support. Being both Marxist and Mexican, Lombardo combined his beliefs in a pragmatic manner: on the one hand, he insisted that Mexico must remain neutral, since the war was essentially an interimperialist rivalry, while on the other hand, he saw the necessity to cooperate with the U.S.¹⁸

¹⁶Ibid.

¹⁷Rüd̄t diary, 1938, p. 105-109. In Volland, p. 162.

¹⁸See Millán, p. 110-112.

In this context it is worth mentioning that Lombardo's pragmatic stance only crystallized after Georgi Dimitrov, the General Secretary of the Comintern, had announced the new party line on 17 September 1939. For two weeks Lombardo strongly supported Mexican intervention. On 2 September 1939 he wrote in El Popular:

A new World War has begun. El Popular feels the obligation to make known, without vacillations or digressions, the position which, as the organ of the people and the working classes of Mexico, it assumes toward the war ... We cannot adopt an attitude of false, hypocritical or cowardly neutrality when the lives of millions of souls, the inheritance of all civilization, and even the destiny of the human species are gravely threatened.¹⁹

Millon neglects this delay towards a neutral position.²⁰ The sudden switch of Toledano's opinion was also described depictively in The Washington Post:

The Mexican labor front began to squirm. It suddenly veered from its loudly voiced enmity for Hitler and Nazism and began to look for new dragons to attack.²¹

The neutral attitude again changed into an ardent urge to

¹⁹Cited in Kirk, p. 87.

²⁰See Millon, pp. 109ff.

²¹The Washington Post, Feb. 12, 1940. Cited in Kirk, p. 87.

join militarily the allies, after the German invasion of the Soviet Union in 1941.

In sum, Lombardo's anti-fascist position rooted as much in his Marxist ideology as in his beliefs in the Mexican Revolution.²² He perceived definite Axis aims in Mexico²³ and used his power to sabotage them.²⁴ Betty Kirk even perceived the militarized battalions of the CTM as "brave symbol of an emancipated nation [because they organized] undisciplined workers, who are, at heart, raw material for fascism."²⁵ Thus Lombardo used his position as national labor leader and his role as international accepted intellectual as well as his demagogue talents to fight fascism in general, but especially fascist tendencies at

²²Vicente Lombardo Toledano, En que Consiste la Democracia Mexicana y Quienes son sus Enemigos, México, D.F.: Universidad Obrera de México, 1941.

²³See Allan Chase, Falange: The Axis Secret Army in the Americas, New York: G.P. Putnam's Sons, 1943, p. 157.

²⁴See Vicente Lombardo Toledano, National Sovereignty and Continental Defense. Nationalization of German and Italian Nazifascist Properties in Latin America, (Speech at the meeting of the National Council of the CTM), México, D.F.: 1941.

²⁵Kirk, pp. 84f.

home.²⁶ In this respect, his pragmatism also sought the cooperation of the U.S. and used the hemispheric solidarity. His concerns about this threat outlasted WW II and the end of the fascist powers. In 1960, he published a scholarly book to the problem of neo-Nazism in the German Federal Republic.²⁷

Surprisingly, the radical left was not united against Nazism and fascism in Mexico. Leon Trotzky remarked after the Moscow-Berlin Pact: "The chaos which the zigzags of the Comintern produce in the minds of the workers is one of the most important of the fascist victories."²⁸ He meant, of course, the global situation, but his comment is also verified for the Mexican case.

Kirk argued that the communists' assault was primarily directed against the socialist Mexican program. Thus they

²⁶See Vicente Lombardo Toledano, Como Actúan los Nazis en México, México, D.F.: Universidad Obrera de México, 1941. See also the pamphlet by Toledano: Fifth Column in Mexico, (Translation of a speech delivered on Oct. 17, 1941 in Mexico City), New York: The Council for Pan-American Democracy, 1942.

²⁷Vicente Lombardo Toledano, El Neo-Nazismo, Sus Características y Peligros, México, D.F.: Escuela Nacional de Ciencias Políticas y Sociales, 1960.

²⁸Kirk, p. 81.

had the same goals as the right-wing fascistoid groups. Quoting Jan Valtin,²⁹ she drew parallels to Germany at the beginning of 1931. Here Soviet instructions served as "united action of the Communist Party and the Nazis [in order] to accelerate the disintegration of the crumbling democratic bloc which governed Germany [while] they continued to fight each other even more viciously."³⁰

While Kirk's argument probably holds true for Germany, her application to Mexico, however, is dubious. "The abuses of Communism which caused the public revolt of the socialist Mexican Republic against the left and opened the doors to the Nazi fifth column and Falange Española."³¹ The second part of her assertion did not materialize, as we already saw in the relatively modest and ineffective role of fascist elements in Mexico. Moreover there was no "public revolt" against communism. The reasons why communism in its various appearances - Marxism-Leninism, Stalinism and Trotskyism - did not succeed in Mexico are essentially the same as the ones for fascism's failure. Cárdenas' PRM provided an all

²⁹Jan Valtin, Out of the Night, Chicago: Alliance Book Corporation, 1943, pp. 293f.

³⁰Kirk, p. 266.

³¹Ibid. Nov. 23, 1936.

absorbing middle ground for all the leftist inclined, which drew many potential communists to the official Revolutionary Party. Also, opportunism encouraged this process. In contrast, because of this absorbing character of the PRM and Cárdenas' continuous endeavor to strengthen the party, the attempt of Lombardo's CTM to create a Mexican Popular Front in 1937, including the peasants, the Communist Party and the PNR, failed.³²

Fascism and Marxism, as determined above, are in natural opposition, in which fascism cannot come into effective existence without the other. In Mexico, the Communist Party was simply too weak to constitute a worthwhile target for fascists, though they constantly expressed their disgust for each other. Both forces usually were in constant rhetorical guerilla warfare. For example, at the end of 1936, the left-wing newspaper Novedades published a detailed plan how the Partido Comunista de México intended to sabotage Germans living in Mexico.³³ The two major points stated first, "exigir del Gobierno que prohíba la introducción al país de

³²See Arturo Anguiano et al., Cárdenas y La Izquierda Mexicana, México, D.F.: Juan Pábllos, 1975. See in particular the essays by Héran Laborde, the General Secretary of the Mexican Communist Party at that time, pp. 313-334.

³³Novedades, Nov. 23, 1936.

mercancías procedentes de Alemania e Italia," and secondly to start "una era de sabotaje para las casas alemanas." But no deeds followed the words, which was probably due to pressure on the Communists by the Cárdenas government.

After all, the influence of the Communist Party was rather moderate. Cárdenas' consistent drift to the left was dominating, as seen in his educational reforms: "The present youth [in 1938] of high school and college age is, in Mexico, overwhelmingly anti-Fascist... They talk about class struggle and imperialism as concrete realities."³⁴ In sum, communists rather sought cooperation than conflict with the Cárdenas administration. They were outspoken anti-fascist but moderate in means, members and material.³⁵

Finally, there was an anti-Nazi League for German

³⁴Verna Carleton Millán, Mexico Reborn, Boston: Houghton-Mifflin, 1939, p. 237.

³⁵The left's general anti-fascist attitude and its readiness to fight for it, is well reflected in a poll of the weekly El Tiempo. It asked "Should Mexico enter the War?" on 20 May 1942, shortly after the Mexican tanker "Potrero de Llano" had been sunk by a German submarine. 'Leftist organizations' answered most affirmative (92.2%), followed by 'government-employed workers' (67.9%). In contrast, the 'Man in the Street' was strongly opposed and only 21.6% responded with yes for Mexico's entrance of the war. See Howard F. Cline, The United States and Mexico, Cambridge: Harvard Univ. Press, 1963 (2nd. ed.), pp. 268ff.

Culture composed by German nationals in Mexico. The League arranged a series of lectures on National Socialism discussing Nazi racial doctrines, sociology and politics. Many prominent Mexican gave presentations: Luis I. Rodríguez, Vicente Lombardo Toledano, Francisco Múgica, Alejandro Carrillo and others. However, "many anti-Nazi Germans were terrorized [by the Gestapo] into staying away from the lectures."³⁶ Overall, the League served to report about German atrocities against Jews, nations and against its own people. Hence its main purpose was counterpropaganda by providing authentic information about the Reich, however, without getting involved in active political action.

The Press in the United States

Criticism of German activity in Mexico derived from two concerns: first, and predominantly, American observers became alarmed about the rapid increase of German-Mexican trade relations. The two countries' closer economic cooperation naturally jeopardized the traditional strong U.S. market in Mexico. The critics heightened in particular after Mexico had announced that it would sell their oil to

³⁶Jaime H. Plenn, Mexico Marches, Indianapolis, N.Y.: The Bobbs-Merrill Co., 1939, p. 72.

Germany.³⁷

Secondly and directly juxtaposed with the economic concerns were fears of a German or fascist "Fifth Column" in Mexico. More often than not the perceived ideological penetration by German propoganda was usually directly linked with and thus made responsible for the intensified economic cooperation between Germany and Mexico. Even though Germany had succeeded more in other Latin American countries in respect to the political and economic intrusion,³⁸ the geographical vicinity caused a much greater uneasiness in the U.S. press in regard to Mexico. Overall, this kind of press rather supported business interests than political convictions. Thus it sought to bring the public opinion on the side of business in general, and of the oil companies in particular.

A good collection of these two types of criticism

³⁷See political cartoon on the next page.

³⁸See Howard J. Trueblood, "Trade Rivalries in Latin America," Foreign Policy Reports 13 (1937/8), pp. 154-164. See also Kazuo Okamoto, "Italy and Germany in Latin America," Contemporary Japan 9 (1940), pp. 1051-1056, Carleton Beal, "Totalitarian Inroads in Latin America," Foreign Affairs 17, 1 (Oct. 1938), pp. 78-89 and Percy W. Bidwell, "Latin America, Germany and the Hull Program," Foreign Affairs 17, 2 (Jan. 1939), pp. 374-390.

Service With a Smile



Source: Burt M. McConnell, Mexico at the Bar of Public Opinion, New York: Mail and Express Publishing Company, 1939, p. 227.

provides Burt M. McConnell in his book Mexico at the Bar of Public Opinion.³⁹ Significantly it was sponsored by Standard Oil in 1939. For McConnell, as for the New York Herald Tribune, the German threat can go either way: "Trade follows the flag - and political ideologies follow trade."⁴⁰ Quoting the St. Paul Pioneer Press, one cannot separate the two. "If it were merely a matter of commercial competition, American export industries could hold their own. But the Germans bring their political propaganda with them."⁴¹

Nevertheless, these writers mainly complained about the unjust nature of the German-Mexican trade principles. The Detroit Free Press commented:

Germany's trade policy is based on an attempt to balance exactly its exports and imports to and from each foreign country. Thus Germany ... agrees with Mexico that it will buy so much Mexican oil if Mexico will buy German goods of equivalent value. ... Secretary Hull contends that this policy tends to erect barriers to general international trade.⁴²

³⁹Burt M. McConnell, Mexico at the Bar of Public Opinion, New York: Mail and Express Publishing Company, 1939.

⁴⁰Ibid., p. 259.

⁴¹Ibid., p. 258.

⁴²Ibid., p. 261.

The German Askimark system was mainly made responsible for the decline of U.S. trade in Latin America. The North American Newspaper Alliance declared that "the Germans are the most firmly entrenched [country] in the southern continent. Through the 'blocked' or 'Aski' marks ... the Nazis have succeeded in building a large trade."⁴³

McConnell also blamed high Mexican import duties, disadvantaging U.S. products vis a vis the cheaper imports by barter deals. For instance, "in the first half of 1938, Germany increased her sales [of typewriters in Mexico] to 36 percent of the total ... selling at around 100 pesos, compared with the 400 to 500 pesos which the American machines are sold for."⁴⁴ The New York Post added that the barter with Germany meant "the 'No Sale' sign for American machinery. Along with the German-Italian contacts, [this] is a Mexican boycott of American goods."⁴⁵ These comments apparently forgot that these repercussions for American export business were caused by the boycott of the American oil companies.

⁴³ Ibid., p. 260.

⁴⁴ Ibid., p. 265.

⁴⁵ Ibid., p. 263.

Most writers agreed, however, that these trade advantages were mainly triggered by the oil expropriation, since it opened the possibility of barter deals. They neglected the fact that the German trade had consistently increased in Mexico in the years before, as shown in the first part of the paper. Therefore and the fact that all fascist countries were "hard pressed for oil," the Courier suspected that "Hitler had some influence in causing the confiscation of British, Dutch, and American oil properties in Mexico."⁴⁶ By the way, the word "confiscation" instead of "expropriation" was regularly used by these oil companies' protagonists.

With Germany's commercial breakthrough came her propaganda, since "the end sought, of course, is the spread of totalitarian ideology in Latin American countries." The Louisville Courier Journal concluded that "the strengthening of political-economic ties with dictatorial nations endangers the security of the U.S."⁴⁷ The danger comes "from within" Mexico by "ideological invasion" and soon, by application of the domino theory, the spread of fascism becomes irresistable. Therefore the Gloversville, New York,

⁴⁶ Ibid., p. 258.

⁴⁷ Ibid., p. 260.

Herald recalled that Mexico had been a "hotbed" of German espionage in WW I and was in danger of becoming a "breeding ground for Nazi tenets" in the Western Hemisphere.⁴⁸

Consequently, the Washington Star depicted a doomed future:

The political fact cannot be ignored that the establishment of vital economic ties, such as Mexico now appears to be creating with Germany, inevitably link Mexican interests with the ultimate destiny of Nazi-Fascism in Europe. ... That connection will be difficult to break.⁴⁹

One might wonder how these writers saw Cárdenas' attitude towards fascism.

So what is to do? The article clippings of McConnell's book did not really provide any answers, since they blamed entirely the Cárdenas' administration, while the U.S. government and the business community, especially the oil companies, did not have a blot on their scutcheons. Thus the New York Post concluded with resignation:

We can do several things. We can get mad as hell. We can retaliate. We can drop the 'Good Neighbor' policy. But these reactions, while they might soothe our feelings, won't help American business in Mexico.⁵⁰

⁴⁸ Ibid., p. 281.

⁴⁹ Ibid., pp. 269f.

⁵⁰ Ibid., p. 263.

The ultimate motives of the generated scare, of course, were of economic concern, though many might have felt uneasy about the political consequences.⁵¹ The type of quotes in the McConnell book, as biased they were, indeed appeared ubiquitously in the U.S. press. Time even asserted that "Germany has set up a machine [of propaganda and intrigue in Mexico] that functions like a well-oiled Messerschmitt plane." Therefore the magazine feared a Putsch possibility, intransigated by the Nazis.⁵² Overall, the impression was generated that Mexico was "in chaos," an allegation which led by the way to a sharp decline in tourism from the U.S.⁵³

Yet, some journalists attempted to put the German activity in Mexico in the right proportion. In particular, the liberal Nation tried to set the record straight:

⁵¹The fear was not limited to Mexico alone. See for example Herbert J. Seligmann, "The Nazi Invasion of the U.S.A.," New Republic, June 22, 1938. See also Alton Frye, Nazi Germany and the American Hemisphere 1933-1941, New Haven/London: Yale Univ. Press, 1967.

⁵²Time, June 3, 1940, p. 36.

⁵³See Lorenzo Meyer, Mexico and the United States in the Oil Controversy: 1917-1942, Trans. Muriel Vasconcellos, Austin/London: Univ. of Texas Press, 1977, p. 204. "The total dollar income from tourism in 1938 was down one-third from the year before." In respect to the picture of Mexico "in chaos," see the cartoon on the next page.

Careful, Young Fellow!



Source: Burt M. McConnell, Mexico at the Bar of Public Opinion, New York: Mail and Express Publishing Company, 1939, p. 115.

If the U.S. is concerned over the increase of German trade with Mexico, the remedy lies ready to hand. President Cárdenas has repeatedly affirmed his country's preference to sell oil to the democratic nations. But while the U.S. and Great Britain, through their international oil oligarchies, have combined to impose a boycott against Mexico, the Nazis, pursuing their own advantage, have bought Mexican petroleum and helped the country to weather a difficult economic and political crisis. Under the circumstances, it would have been sheer insanity for Mexico to refuse German orders on the ground that they were motivated by ulterior purposes.⁵⁴

By the same token, the article refuted Mexican sympathy for Nazism. Admitting Nazi influences, the reader was reminded of Cárdenas' "profound opposition to fascism." Mexico's help to the Spanish Republic, her tradition to grant asylum to anti-fascists and Mexico's voice in the League of Nations "in defense of the rights of weak nations victimized by fascist aggression," all these facts were indicators of Mexico's democratic position.⁵⁵

In the same manner I.F. Stone noted "the [U.S.] squeeze on Mexico."⁵⁶ For him, "the good-will of the people of Mexico is more important to our national security than the

⁵⁴ "Kluckhohn's Case," Nation, Jan. 28, 1939, p. 110.

⁵⁵ Ibid. 1938, p. 518.

⁵⁶ I.F. Stone, "The Squeeze on Mexico," Nation, 151, Nov. 30, 1940, pp. 523f.

good-will of the Standard Oil Company." Stone recommended to ease pressure on Mexico by putting pressure on Standard Oil through "Congressional spotlight." L.O. Prendergast had already pointed out earlier that the "consequences of the oil expropriation played directly into the hands of the reactionaries" and that the "future attitude of the oil companies is of decisive importance."⁵⁷

Indeed, "with the oil crisis in Mexico, Latin America suddenly [became] a center where international axes cross and clash."⁵⁸ The question was only, whether these clashes were imagined or real. The "press war" on this topic was fully in action in the U.S. during 1938/9, right after the expropriation. George Creel in Collier's for example asked "Can We Prevent Chaos in Mexico?" and predicted a Humpty-Dumpty crash in Mexico.⁵⁹ Then "a proletarian horde ... will seize power, its excesses inevitably precipitating savage civil war, making Mexico another Spain." L.O. Prendergast countered in Nation:

⁵⁷L.O. Prendergast, "Oil and Mexico's Future," Nation, 146, June 25, 1938, p. 717.

⁵⁸Eliot Janeway, "Mexico, Tokyo, Berlin and the Oil Axis," Asia, Sep. 1938, p. 518.

⁵⁹George Creel, "Can We Prevent Chaos in Mexico?," Collier's, July 23, 1938.

Any well-informed observer, unless [George Creel] himself, will testify that if the Cárdenas government is overthrown it will certainly be succeeded by the fascist groups now frantically engaged in the search for a leader.⁶⁰

Apparently, the press war on Mexico was partially the result of a battle between left and right in the U.S., projecting their different views on the political situation in Mexico. But there are more reasons for the biased reports on Mexico. Betty Kirk summarized the other motives and their consequences:

First, ... a section of the American press, either on its own initiative or by inspiration of interests related to the oil industries, has been inaccurately depicting Mexico as a nation where law and order have broken down and anarchy prevails. A 'smear Mexico' drive is rapidly taking shape.

Secondly, certain political opponents of the New Deal are seizing upon the Mexican oil issue as the most vulnerable point in the Roosevelt Good Neighbor program. The danger of such a course obviously is not the expression of opposition opinion, which all sides would concede to be legitimate, but that the rough and tumble of politics would lead to exaggerated and even politically slanderous defamation of a friendly nation.⁶¹

Regardless of these motives, the effects of the anti-Mexican

⁶⁰L.O. Prendergast, "Press War on Mexico," Nation, Sept. 3, 1938, p. 223.

⁶¹Betty Kirk, "Smearing Mexico," Christian Science Monitor, April 8, 1939, p. 6.

reports of "such propagandists" only intensified Mexican latent fears of the U.S., while forcing "wider the door to German penetration and trade."⁶²

Indeed, the unfavorable press in the U.S. only deteriorated the tensions between Mexico and the U.S. which were enforced by the unresolved and delayed question of compensation for the oil companies. In sum, the only result was mutual suspicion and a heightening of anti-Americanism - which Nazi Germany successfully exploited and nourished within the described limits. Yet, the "squeeze on Mexico" might be also viewed as a reflection of U.S. public opinion, which, of course, was influenced by the press. Since public opinion in turn influenced the press, the result was a spiral effect leading to an increased uneasiness about the fascist threat. In any case, American public opinion clearly blamed the fascist regimes as the main threat to world peace. In a poll in 1938 77% of the American votes considered some particular nation or nations responsible for the arms race. Of these, 80% blamed anti-Comintern powers - Germany, 38%; Italy, 32%; Japan 10% - while 9% blamed the Soviet Union. In an earlier poll (April 6, 1937) 46% believed that the United States would have to fight Germany

⁶²Ibid., p. 7.

again in their lifetime.⁶³

American Official Reaction

The State Department and American embassy in Mexico were in general concentrating more on a solution of the oil expropriation problem. German activities, therefore, were only regarded peripherally. In any case, the maintenance of the Good Neighbor policy curbed intervention in Mexico's domestic matters in this respect. Only when the Roosevelt administration felt that German actions might jeopardize U.S. security, did the embassy under Josephus Daniels undertake official steps. More important, of course, in the view of American officials, was the consistent loss of Mexican markets to Germany.

President Roosevelt himself openly expressed the American position in respect of a possible political struggle between democracy and fascism in Mexico. On April 20, 1938 the President said at a press conference, probably under the impression of the amounting tension around Cedillo and the oil expropriation:

⁶³See Paul B. Taylor, "Problems of German-American Relations," Foreign Policy Reports XIV, 9, July 15, 1938, p. 98.

Suppose certain foreign governments, European governments, were to do in Mexico what they did in Spain. Suppose they would organize a revolution, a Fascist revolution, in Mexico. Mexico is awfully close to us. Suppose they were to send planes and officers and guns and were to equip the revolutionists and get control of the whole of Mexico and thereupon run the Mexican Government, run the Mexican Army, and build it up with hundreds of planes. Do you think the United States could stand idly by ...? ... it is a long distance across the ocean. We would not be attacked from across the ocean, however, if they came from Mexico. ... Spain is three days from Germany, and Mexico is only seven days from Germany.⁶⁴

FDR's affirmative answer to his rhetorical question whether the U.S. "could stand idly by" was emphasized by his Undersecretary of State for Latin America, Sumner Welles. Recalling the Monroe Doctrine he made clear that

any attempt on the part of non-American powers to exert through force their political or material influence on the American continent would immediately be a matter of the gravest concern not only to the U.S. but to every other American republic as well.⁶⁵

From the vantage point of the American government there was not much doubt that the resistance of the U.S. to the

⁶⁴The Public Papers and Addresses of Franklin D. Roosevelt with a Special Introduction and Explanatory Notes by President Roosevelt, 1938 Volume, The Continuing Struggle for Liberalism, pp. 255f. Cited in Merrill Rippy, Oil and the Mexican Revolution, Leiden: E.J. Brill, 1972, p. 240.

⁶⁵Charles A. Thomson, "Washington News Letter," Foreign Policy Bulletin, Vol. XVII, p. 4.

perceived threat in Mexico would be decisive. The two quotes above indicate this role as 'policeman' for the hemisphere, meaning that any danger coming from the United States' next door neighbor must be suffocated from the beginning. In this respect, the U.S. had already expanded the Monroe Doctrine to include defense of ideological integrity in the Americas at the Rio de Janeiro Conference in 1937.⁶⁶

In 1938 and 1939, when voices grew louder about a "second Spain" in Mexico, the general attitude was that the U.S. cannot stand aloof and "repeat [the same] folly" in Mexico, alluding to the U.S. neutral isolation policy in regard to the Spanish Civil War. When the fascist perceived Cedillo revolt took place, the New Republic pointed out that "it is in accord with international law and American diplomatic tradition to support, especially on this continent, legitimate governments contending with armed

⁶⁶See Rippy, p. 242. See also Antonio Gomez Robledo, The Bucareli Agreements, México, D.F.: Imprenta Nacional de México, 1940, pp. 190f. According to Ezequiel Obregón, México y los Estados Unidos ante el Derecho Internacional, México, D.F.: Herrero Hermanos Sucesores, n.d., pp. 159-171, Mexico was the field of the old struggle between the U.S. and Europe. Moreover he lamented the lack of equilibrium in America which in Europe prevented any one power from acquiring so much force as to threaten its neighbors. In view of the German expansionism at the time, this was a very weak argument.

rebellion."⁶⁷

These views resulted from the assumption to react "just in case" pro-Nazism would become too strong in Mexico. Consequently, as ambassador Daniels recalled in his memoirs, the American embassy gave

every aid in the preparations of our country against the totalitarian threat. We were vigilant to detect any Nazi infiltration across the Rio Grande, to make a complete Black List of concerns aiding the enemy, and to obtain from Mexico the rich variety of war materials needed to strengthen the American arms-for-defense.⁶⁸

This strong cooperation between the U.S. and Mexico, of course, was determined by the already one year old war in Europe. But the war only strengthened the joint anti-Nazi effort, since "from the President down, official Mexico was heart and soul against the forces of which Hitler was the head and front,"⁶⁹ stressing the fact that throughout the whole pre-war period the Mexican government was "as zealous in hostility to Nazi-ism as the officials in [the U.S.]

⁶⁷"Shall We Aid Mexican Fascism," New Republic, 95, June 1, 1938, pp. 87f.

⁶⁸Josephus Daniels, Shirt Sleeve Diplomat, Chapel Hill: Univ. of N. Carolina Press, 1947, p. 497.

⁶⁹*Ibid.*, p. 498.

government."⁷⁰ Consequently Daniels' efforts to sabotage German influence and trade were a source of considerable annoyance to his colleague Baron von Rüd̄t, the German Minister.⁷¹

A good example of this mutuality took place at the beginning of 1939. Dr. Hagemann, a representative of the German Junkers Aircraft, had offered, in alliance with Davis, to exchange thirty Junkers' military planes to the Mexican army for 400,000 British pounds worth of expropriated oil.⁷² Soon the military attache at the U.S. embassy in Mexico, Colonel William R. Freehoff, informed Daniels. "Within 24 hours," the ambassador called the Mexican foreign office to express the U.S. government's disapproval of the deal. "It fell through."⁷³ Later the Mexican ambassador in Washington, Dr. Castillo Nájera,

⁷⁰ Ibid.

⁷¹ Rüd̄t to AA, April 8, 1938. In Documents on German Foreign Policy, Series D, Vol. V, Washington: The Government Printing Office, 1953, pp. 827-29.

⁷² See Times (London), Feb. 19, 1939. See also Norman P. MacDonald, Hitler over Latin America, London: Jarrolds, 1940, p. 239.

⁷³ Betty Kirk, Covering the Mexican Front: The Battle Europe vs. America, Norman: Univ. of Oklahoma Press, 1942, p. 168.

denied any further considerations of the German proposal.⁷⁴ Moreover, Daniels advised a prominent American businessman in Mexico City to turn down an offer to serve as adviser to a Mexican mission trying to expand oil sales in Germany, pointing out that so long as the State Department regarded it as "stolen oil" no American should "have any part except acting for his country, no matter what his feelings were."⁷⁵

On the other hand, the U.S. had helped to get rid of Mexican internal right-wing elements. In August 1936, the U.S. authorities allowed the expelled General Nicolas Rodríguez, the head of the Dorados, to enter the U.S.⁷⁶ Sumner Welles, however, could not hide his objections:

The Department views with some uneasiness an apparent tendency on the part of the Mexican authorities, as exemplified in the case of former President Calles and possibly in the instant case, to impose upon the country certain Mexican citizens, whose presence in Mexico is considered undesirable because of their alleged political activities, and at the same time to expect the Government of the United States to adopt measures to prevent these persons while in the United States from engaging in activities directed against the Government of Mexico. The illogicality of such a position is

⁷⁴MacDonald, p. 239.

⁷⁵Cited in Cronon, pp. 235ff.

⁷⁶See Daniels to Secretary of State, Aug. 11, 1936, in FRUS, 1936, Vol. V, p. 778.

believed to be obvious.⁷⁷

Overall, however, official U.S. and Mexico shared the same political attitude in respect to direct and indirect Nazis' menaces.

In contrast, German economic penetration was welcomed by Mexico, as shown above, while the exporting American business community was outraged by it. It naturally lobbied for its interests in the FDR administration.⁷⁸ Yet, trade matters were complicated. Here the two different economic conceptions of Germany and the U.S. clashed. Therefore the issue will be treated in the larger context of Latin America but with references to Mexico.

Germany had employed the New Plan (1934) which envisaged balanced terms of trade and autarchy by bilateral trade, opportunistic means, protectionism, and economic state coordination and monopoly.⁷⁹ In short, the German economy

⁷⁷Sumner Welles to Daniels, Aug. 15, 1936 in Ibid., p. 780.

⁷⁸See Hans-Jürgen Schröder, "Die Vereinigten Staaten und die national-sozialistische Handelspolitik gegenüber Lateinamerika 1937/8," Jahrbuch für Geschichte von Staat, Wirtschaft und Gesellschaft Lateinamerikas, 7, 1970, pp. 309f. Cited as Schröder (Handelspolitik).

⁷⁹See Chapter II.

was conveniently centralized, offering the Askimark system, barter deals and bilateral trade agreements in Latin America.

On the other hand, the U.S had embraced the Trade Agreements Act (1934), which included the principle of reciprocity coupled with the unconditional most-favored-nation policy. Traditionally, reciprocity had ensured export markets for U.S. home production.⁸⁰ New was the combination with the unconditional most-favored-nation stipulation which empowered the president to conclude trade treaties with foreign nations, reducing up to 50% of the American tariff barriers. Then the unconditionality, or equality, provision allowed that any third state could apply the reformed tariff concessions, which the bilateral or reciprocal trade treaty of the U.S. and a second country had concluded. At the same time, Washington also participated at any tariff reduction which her trade partner had conceded to other nations. Therefore the agreement was

⁸¹See Paul P. Taylor, "Problems of German-American Relations," *Foreign Policy Reports*, XIV, 2, July 1938, p. 194. See also Grace Lockett, "Effect of the Reciprocal Agreements upon the Foreign Trade of the U.S.," *Journal of Economics*, 55, 1940, pp. 199-209.

⁸²Hans-Jürgen Schröder, *Deutschland und die Vereinigten Staaten 1933-1939*, Wiesbaden: F. Steiner, 1970, p. 180.

⁸⁰See B.H. Kaiser, "The Principle of Reciprocal Trade Agreements," *World Affairs Interpreter*, 7, 1936/7, pp. 10-13.

reciprocal and unconditional.⁸¹

The father of the Trade Agreement Act, Secretary of State Cordell Hull, explained the underlying philosophy of his, hence so-called Hull Program: "Without expansion of international trade, based upon fair dealing and equal treatment for all, there can be no stability and security either within or among nations."⁸² The quote already indicates the juncture between trade and foreign policy. Significantly, the economic program was designed by the Secretary of State. In this regard, trade competition in Mexico, and in Latin America in general, was also a political and ideological struggle between the U.S. and the Reich. Or in Hull's appropriate short style: "The political line up followed the economic line up."⁸³

The strict bilateral nature of Schacht's New Plan was

⁸¹See Paul P. Taylor, "Problems of German-American Relations," Foreign Policy Reports, XIV, 9, July 1938, p. 104. See also Grace Beckett, "Effect of the Reciprocal Agreements upon the Foreign Trade of the U.S.," Journal of Economics, 55, 1940, pp. 199-209.

⁸²Hans-Jürgen Schröder, Deutschland und die Vereinigten Staaten 1933-1939, Wiesbaden: F. Steiner, 1970, p. 142.

⁸³Cordell Hull, The Memoirs of Cordell Hull, New York: Macmillan Co., 1948, Vol. II, p. 365.

therefore perceived as "undemocratic." U.S. Assistant Secretary of State Francis B. Sayre probably alluded to Germany when he angrily pointed out in 1936 that

some countries by arbitrary quota restrictions, by exchange control, by government monopolies, or by the requirement of import or export licences have strait-jacketed their foreign trade in a manner wholly inconsistent with American traditions. ... In sharp contrast our Trade Agreements program follows the democratic American tradition of equality to all and freedom for private initiative.⁸⁴

Thus Germany's New Plan and the Hull Program competed in the markets of Mexico and Latin America, where the U.S. possessed a traditional economic hegemony. With the decline of U.S. trade in the hemisphere and the slow and painstaking domestic recovery by F.D.R.'s New Deal plus the consciousness of U.S. economic support for Germany in the 20's by the Young and Dawes loans, both fear and anger distinguished the economic experts in Washington. These concerns had two correlated effects:

- analysis of the present economic situation of the U.S. for Latin America
- deliberation of countermeasures against the German trade intrusion in Latin America.

⁸⁴Francis B. Sayre, Reciprocal Trade Agreements, Washington: U.S. Government Printing Office, 1936, pp. 10f. See also by the same author: Most Favored-Nation vs. Preferential Bargaining, Washington: U.S. Government Printing Office, 1935.

In respect to the latter point, Under Secretary of State Sumner Welles released on 8 January 1938 a circular order to all missions in Latin America to find out what the extent and nature of German trade competition was. Therefore he issued the following guidelines for consideration:

1. The commodities in which German competition has been most severe so far as the United States exports are concerned.
2. Methods of payment in effect and types of currency employed (this should include a discussion of discounts on "Askimarks" or compensation marks).
3. Evidence of premiums above world market prices being paid on designated imports into Germany, as reflected in greater returns being actually received by the exporter in his own currency (at prevailing rate for Askimarks) for exports to Germany than for similar exports to foreign markets.
4. Evidence of subsidy payments on German exports.
5. Extent to which imports from Germany are required to be paid for in free exchange.
6. Official efforts to encourage or control imports from or exports to Germany.
7. Any renewals of or modifications in trade agreements or arrangements with Germany during 1937.
8. Trade figures showing imports and exports by value in trade with Germany, the United States, and the aggregate of all other countries from the beginning of 1934 to

date.⁸⁵

The answers of the various American missions in Latin America indicated that the immense rise of exports from Germany in 1935/6 was recurrent, while the American share of total imports in Latin America had increased (1936: 31.4%; 1937: 34.3%). Therefore the author of the survey, James Watson Gantenbein, concluded that there is "slight ground for alarm from German competition in 1938."⁸⁶

He proved to be wrong. German share of total imports in Latin America picked up again in 1938 (1936: 15.4%; 1937: 15.3%; 1938: 16.2%), while the share of the U.S. dropped to 33.9% in the same year. With justification an American diplomat noticed in 1938 that "the progress of German compensation trade in Latin America generally has been so marked as to arouse considerable apprehension and concern in the U.S."⁸⁷

Indeed, it did. In fact, the appropriateness of the Hull

⁸⁵Circular State Department, Jan. 8, 1938. Cited in Schröder (Handelspolitik), p. 314.

⁸⁶Schröder (Handelspolitik), p. 316.

⁸⁷Mayer to State Department, May 12, 1938. Report on German Compensation Trade with Haiti. Cited in Schröder (Handelspolitik), p. 323.

Program was called into question. A memorandum for the Secretary of Treasury Morgenthau summarized the situation.

I do not mean to imply that our trade agreements program has not achieved results. I merely wish to point out that these results are being vitiated by the policy of aggressor nations and that the continuation of the present trend may see a complete disruption of the program.⁸⁸

The apparent loss of markets in Latin America pressured for an answer to the question "What should America do?" In sum, the alternative was between

an active policy of trying to divert into other channels trade between South America and the dictator countries, and a more passive policy of building up our own trade with the nations to the south by all legitimate means without any direct attack on Latin American trade relations with the rest of the world.⁸⁹

In short, the choice was to scrap the Hull Program and even follow the German methods, or to enforce the trade agreements more vigorously.⁹⁰ Most policy makers tended to

⁸⁸Memorandum Harry Dexter White, Oct 10, 1938. Cited in Schröder (Handelspolitik), p. 323.

⁸⁹W.R. Castle (former Under Secretary of State), "America and the Dictatorships. What Should Be Our Position," Vital Speeches of the Day, Vol. V, 6, Jan. 1, 1939, p. 163.

⁹⁰See Grace Beckett, "Effect of the Reciprocal Agreements upon the Foreign Trade of the U.S.," Journal of Economics, 55, 1940, pp. 199-209.

favor the second alternative. "The German aggression is a challenge. But it should be met, not by imitating German policies, but by applying our own more boldly and more effectively."⁹¹

In this context, however, the U.S. faced a serious problem. Distrust or at least suspicion to the Good Neighbor policy prevailed in the region. "Yankee imperialism" and "Big Stick" policy were still catch words. Many Latin Americans perceived - probably correctly - that the Trade Agreement Act was primarily designed for U.S. trade hegemony in the hemisphere.⁹² Therefore, many North Americans realized that trade success was also dependent on mutual respect in political matters.

The pendulum has swung from arrogance to supineness. It must seek its balance because only then can we trade as a respected friend with these [Latin American] nations which we shall always treat as our political equals.⁹³

For the case of Mexico, the land and oil expropriation issue did not make this lofty goal easier. The following

⁹¹Percy W. Bidwell, "Latin America, Germany and the Hull Program," Foreign Affairs, 17, 2, Jan. 1939, p. 390.

⁹²See Schröder (Handelspolitik), p. 143.

⁹³Castle, p. 166.

table visualize the transfer of some Mexican markets from U.S. imports to German imports, which increased 138% between 1929 and 1938,⁹⁴ and 66% between 1933 and 1938:

Percentage Share in Total Imports of Mexico

Country	1933	1937	Jan.-June 1938
U.S.	59.9	62.8	58.5
Germany	12.0	15.6	19.9
U.K.	8.9	4.6	5.2

Source: Percy W. Bidwell, "Latin America, Germany and the Hull program," Foreign Affairs, 17, 2, Jan. 1939, p. 379.

However, as Bidwell pointed out in a current issue of Foreign Affairs, Mexico is rather an exception. "The German gains in practically all [Latin American countries] have been made at the expense of the United Kingdom, or some other country, rather than at the expense of the U.S."⁹⁵ Despite losses in the markets of Mexico, however, the U.S. still clearly dominated the Latin American market.

As in the wider context of Latin America, economic analysts equally asked for the Mexican case "Are the Germans

⁹⁴See Virginia Prewett, "Nazi Trade Invades Mexico," American Mercury, 52, 1941, pp. 336-343.

⁹⁵Bidwell, p. 379.

responsible for the U.S. decline?" No, not entirely, answered Virginia Prewett, detecting a lenient, even arrogant attitude of American manufacturers towards their traditional Mexican market.⁹⁶ "They have regarded foreign trade merely as a channel through which to dispose their surplus."⁹⁷ Of course, Nazi credit policy, cheap production at home, the German government supported distributing system plus conscious price competition had facilitated the "Nazi trade invasion" of Mexico. But another serious and psychological problem was caused by laxity of the American businessmen: while Americans employed high pressure sales methods, tailored for the U.S. public and seeking immediate profits, the Germans had adapted to the Mexican way. They had learned Spanish and had taken their time to convince the Mexicans about the higher quality of cheaper articles, "hecho en Alemania." Also, Germans tried to get local control of American trade by obtaining Mexican representation for American products. All these methods combined contributed, in Prewett's view, to the success story of German trade in Mexico.⁹⁸

⁹⁶Prewett, pp. 336-343.

⁹⁷Ibid., p. 338.

⁹⁸Ibid., pp. 336-343.

Even Fernando de los Ríos, former Spanish ambassador of the Azaña government to Washington, admitted the superior trade methods of the Nazis in Mexico. Ríos, who had no reason whatsoever to praise German trade patterns, wrote at the end of 1940 in Social Research:

High political and military personages of Mexico ... summarize Germany's commercial methods in the following way: first, Germany began by a study of the taste of the market, adapting her products to the idiosyncracies of national tastes; second, her customers receive import certificates in proper form; third, the goods received are exactly equal to the samples; fourth, the credits are almost always long-term; fifth, as a rule German goods are cheaper and delivery is more expeditious. Taking account of all these factors, of the lack of markets in the United States for Argentine and Mexican goods, and of these countries' need for machinery, the barter system is regarded as advantageous.⁹⁹

Overall, the trade rivalries between the U.S. and Germany in the Western Hemisphere also led to a trade decline between themselves. The Hull Program and the New Plan were simply too different in their political and economic outlook to permit harmony. In particular the underlying ideological conceptions proved to be incompatible, though - one might argue - they served similar goals. As Germany used her bilateral trade principle for economic and political control of Central Europe, the Trade

⁹⁹Fernando de los Ríos, "Nazi Infiltration in Ibero-America," Social Research 7, Nov. 1940, pp. 404f.

Agreements Act also entailed stalwart goals, namely securing the hegemonial position of Washington in Latin America. Since a modus vivendi between the two exporting competitors was neither found nor sought, the clash seemed to be inevitable. As seen in the next section the U.S. consequently used the Pan-American Conferences to cement their traditional position and (or through appeal of) the hemispheric solidarity.

The Pan-American Conferences in Buenos Aires (1936) and Lima (1938)

The two conferences will be reviewed in the continental context, because their importance lies in the unanimity of all twenty-one participating American republics to formulate and adopt resolutions for peace and cooperation in the hemisphere. In fact, both conferences were a direct response to the Fascist threat coming from Europe. Despite the limited value of an analysis based on an Pan-American common nominator, the discussion serves to complete the picture of Mexican policies towards the Reich for the period in question.

The Mexican Under-Secretary of State Ramón Beteta (since 1936) remarked that "Latin-Americanism has always been a Mexican ideal; not so, Pan-Americanism." However, "the

change in attitude of the U.S - the Good Neighbor policy being an expression thereof - has created a new situation, and [thus] the Mexicans have modified their opinion, as have also the other peoples of Latin America."¹⁰⁰ On the basis of these altered perceptions, the two conferences met.¹⁰¹

The Buenos Aires Conference took place between the regularly scheduled International Conferences of American States at the suggestion of Roosevelt. FDR's invitation stating the purpose to "supplement and reinforce the efforts of the League of Nations ... in seeking to prevent war,"¹⁰² and the Conference very name "For the Maintenance of Peace" already indicated two implications. First, it sought hemispheric means to insure continental security in view of the Fascist power politics in Europe. Secondly, it admitted the insufficiency or inability of the League of Nations to curb the Fascist expansionistic drive.

¹⁰⁰Ramón Beteta, "Mexico's Foreign Relations," The Annals of the American Academy of Political and Social Science, Vol. 208, 1940, p. 173.

¹⁰¹For the development of Pan-Americanism up to 1940, including a discussion of the confusion and bias in respect of the Monroe Doctrine, see the good summary by: Howard J. Trueblood, "Progress of Pan-American Cooperation," Foreign Policy Reports 16, 1940, pp. 286-300.

¹⁰²Sumner Welles, "The New Era in Pan-American Relations," Foreign Affairs XV, 3, April 1937, p. 446.

The most important result of this Conference was the unanimously approved Consultative Pact which declared "joint responsibility" of the American republics in case of hostilities between them. Although no "collective security" had been established, the solidarity of the Western hemisphere was implied in case of extracontinental threats. Moreover, the Protocol of Non-Intervention effectively limited future misapplications of the Monroe Doctrine. Since the Protocol considered an attack by a non-American state as a matter of collective concern, the "theory of mutual benefit [supplemented] the doctrine of unilateral exploitation," with which the Monroe Doctrine was hitherto associated.¹⁰³ Also, the principle of the "equality of sovereign and independent states," plus the restatement of certain fundamental principles of international law and their clarification in regard to their application, all served for a new mutual understanding in the hemisphere.

The Buenos Aires Conference was a good demonstration of "mutual confidence and good will attending the elaboration of conventions and resolutions."¹⁰⁴ Despite its vague

¹⁰³Charles G. Fenwick, "The Buenos Aires Conference: 1936," Foreign Policy Reports XIII, July 1, 1937, p. 98.

¹⁰⁴*Ibid.*

formulations, the Conference reflected the new confidence of the Hispanic countries towards the U.S., while it simultaneously reminded the totalitarian nations, though only implicitly, about the solidarity in the New World.¹⁰⁵

"There is no doubt that the delegates who took a leading part in the Conference had their eyes on the world at large."¹⁰⁶

Overall, the Conference signaled - in the words of Sumner Welles - "the new era in Pan-American relations." "The nations of the Western World demonstrated [at Buenos Aires] their capacity to devise a sane balance between nationalism and international cooperation."¹⁰⁷ From the

¹⁰⁵One fundamental reason for its vague formulations was Argentina's position. Her strong ties to Europe plus her own perception as the "Queen of the Hemisphere," thus challenging and opposing the U.S. hegemony in the region, led to the mitigating formulation of the Consultative Pact. Thus she refused an antagonizing rhetoric in regard to Europe. Consequently, the joint resolution referred only in general terms to the situation arising "in the event that the peace of the American Republics is menaced," and it called in such event for mutual consultation by the American republics "for the purpose of finding and adopting methods of peaceful cooperation." The absence of any discriminating reference concerning extracontinental threats to peace made it easier for the Argentine delegation to accept the agreement. For excerpts of the Resolutions, see Fenwick, p. 100.

¹⁰⁶Ibid., p. 99.

¹⁰⁷See Welles, pp. 443-454.

Mexican point of view, "true Pan-Americanism was born." Mexico's efforts were rewarded in discussing the interpretation of the Monroe Doctrine.¹⁰⁸ Her vital role in the Conference was probably best reflected by the fact that Dr. Francisco Castillo Nájera, the head of the Mexican delegation and ambassador to the U.S., was elected chairman of the Committee on the Organization of Peace, which was the most important one at the Conference.¹⁰⁹ Mexico's anti-fascist commitment had been already stated before the conference, when Cárdenas had pledged Mexico's opposition to the Italian invasion of Abyssinia declaring: "Mexico desires to co-operate in every manner and with all nations to insure world peace."¹¹⁰

In many respects, the Buenos Aires meeting, due to its ad hoc origins, laid only ground-work for the much more specific resolutions of the Lima Conference at the end of 1938. At that point, the fascist regimes' totalitarian and aggressive nature had been unveiled beyond doubts. Austria's annexation, the Czechoslovakian crisis and the subsequent

¹⁰⁸Beteta, p. 174.

¹⁰⁹Fenwick, p. 92.

¹¹⁰Kirk, p. 36.

Munich Conference had revealed Hitler's true intentions to a large degree. Moreover the publication of Nazi atrocities and pogroms against German Jews sharpened the significance of the Nazi campaign. Under these circumstances the Declaration of Lima exceeded all previous statements of inter-American solidarity.¹¹¹ The issue of Latin American regionalism, still the prevalent issue at the Buenos Aires Conference, was now pushed into the background, and the Conference was forced to expand its focal points on a global scale.¹¹²

However, despite the acknowledged and pressuring need for solidarity, Cárdenas' expropriation policy had caused friction and awakened U.S. fears regarding the position of

¹¹¹The hostile disposition against the Reich by the individual Latin American countries is summarized by: Reiner Pommerin, Das 3. Reich und Lateinamerika, Düsseldorf: Droste, 1977, pp. 49-52.

¹¹²Most observers stressed now the danger of Germany's traditional perception of "nationhood." It distinguished Kultur and Zivilisation as the basis for the foundation of a nation. While the cultural idea of a nation is rooted in language, literature and religion - thus forming a Gemeinschaft (community) -, the concept of civilization is rather attributed to territorial nations - thus forming a Gesellschaft (society). "The cultural and political ambitions, thus conceived, have never recognized geographical limits. This was emphasized by Hitler in his Reichstag speech of February 20, 1938, proclaiming a protectorate over German minorities abroad." See Fernando de los Ríos, "Nazi Infiltration in Ibero America," Social Research 7, Nov. 1940, pp. 389ff.

foreign capital in other Latin American countries. "The honeymoon period of the Good Neighbor policy in Latin America appeared to be ended, and some suspicion had developed that the U.S. was exploiting the fascist menace for its own interests,"¹¹³ seeking to strengthen her economic and political hegemony in the region.

As a consequence of all these developments, the Lima Conference met under the severe handicap of great expectations that it would solve these juxtaposed problems.¹¹⁴

Yet, all Latin American nations followed Secretary of State Hull's urge for inter-American solidarity against "the ominous shadow thwart the continent." As in Buenos Aires, only Argentina defected somehow, refusing to be alarmed by the immediacy of the Nazi-Fascist menace. Nevertheless she compromised on the topic which led to a slightly more

Source: Bart W. McConnell, *Mexico at the End of Public Opinion*, New York: Hall and O'Connell Publishing Company, 1939, p. 224.

¹¹³Trueblood, p. 290.

¹¹⁴See political cartoon on the next page.

Under the Southern Cross



Source: Burt M. McConnell, Mexico at the Bar of Public Opinion, New York: Mail and Express Publishing Company, 1939, p. 254.

restrained language in the final accord.¹¹⁴ Mexico, in alliance with Brazil and Cuba, had urged a stronger and more explicit statement in regard to a definition of "external threats", but fell in line for the sake of an unanimous compromise.¹¹⁵ Thus, the Declaration of Lima, which represented the most significant achievement of the conference, reaffirmed "continental solidarity" of the American republics and "their purpose to collaborate." It defended those principles "against all foreign intervention or activity that may threaten them" and expressed "their determination to make effective their solidarity."¹¹⁶

In regard to a direct military threat the Lima

¹¹⁴The general tendency to follow rather the U.S. proposal instead the Argentine one, is reflected in the official minutes of the conference: it recorded "grandes aplausos" after Argentina's Foreign Minister Cantilo's speech, while it noted "prolongados aplausos" after Hull's speech. See Samuel Flagg Bemis, The Latin American Policy of the United States, New York: Harcourt, Brace & Co., 1943, p. 450, footnote 5.

The diverging views between the U.S. and Argentina are well summarized by Samuel Guy Inman, "Lima Conference and the Totalitarian Issue," The Annals of the American Academy of Political and Social Science 204, 1939, pp. 9-16. This article also includes an interview with Cantilo.

¹¹⁵See Charles A. Thomson, "Results of the Lima Conference," Foreign Policy Reports XV, 1939/40, p. 4.

¹¹⁶Ibid.

Declaration certainly amplified and made more explicit the will for common action than the Buenos Aires Conference did. It also addressed the problem of subversive action of German and Italian propaganda. A declaration was unanimously adopted

that, in accordance with the fundamental principle of equality before the Law, any persecution on account of racial [and] of religious motives which makes it impossible for a group of human beings to live decently, is contrary to the political and juridical systems of America.¹¹⁷

Though this clearly denounced German propaganda practises, a stronger worded resolution was refused in order to "avoid a direct slap at Germany."¹¹⁸

In respect to the economic intrusion by the Reich in Latin America, Hull recommended "reasonable tariffs in lieu of other forms of trade restrictions [and] the negotiation of trade agreements, embodying the principle of non-discrimination." This formulation was unanimously supported, since no enforcement mechanism was required. A resolution favored periodic inter-American meetings to coordinate policies on exchange and other economic problems.

¹¹⁷Ibid., p. 5.

¹¹⁸Ibid.

Aside from the Lima Declaration, the achievements of the Eighth Pan-American Conference were few. Yet,

in contrast to Munich, it stood not for coercion but for voluntary agreement. In this field, Lima conserved the gains made at Montevideo and Buenos Aires. It took no backward steps. At a time when general retreat characterized the forces of peaceful cooperation and international understanding, it held ground previously won and kept the road open for further advance in the future.¹¹⁹

Indeed, its effectiveness in regard to the hemispheric solidarity,¹²⁰ was amply demonstrated in the Panama meeting of the American ministers on September 23, 1939 - less than three weeks after the outbreak of the European war. It was felt that "the New World [was] insulated from the war in Europe."¹²¹ The Conference had been called "in accordance with the agreements unanimously reached in Buenos Aires and Lima."¹²²

¹¹⁹Ibid., p. 8.

¹²⁰See Charles G. Fenwick, "Lima Conference in Relation to World Peace," The Annals of the American Academy of Political and Social Science 204, 1939, pp. 119-125, and L.S. Rowe, "The Larger Significance of the Lima Conference," in the same issue pp. 137-140.

¹²¹Bemis, p. 363.

¹²²Under-Secretary Welles, State Department, Bulletin, Sept. 16, 1939, p. 251.

Mexico ardently supported the principles of both conferences and was surely one of the more active countries to push strong-worded resolutions against the totalitarian threat. Significantly, she was one of the four countries which drafted the Declaration of Lima.¹²³ Cárdenas' New Year message of 1938 made this desire for a collective security system in the hemisphere clear:

Mexico ... hopes that these [American democratic] nations form a solid block, putting themselves at the service of all America to prevent its being swayed into the turmoil overwhelming other continents. Besides the profound reasons of a moral order which exist, we may say that the peculiar conditions of the New Continent, the plentitude of natural resources and opportunities of all sorts, its relatively scant population, its geographical position and the absence of diverse creeds, languages, interests and dissimilar cultures, show unmistakably the possibility of solving any problem which might arise, by means of adequate procedures in sympathy with the democratic institutions inspired in the will of the national majorities. ... In consequence, any new tentative to restore a dictatorship has to be judged as inadequate to our present social and political situation and we must also wish that it be proscribed from all the nations of this Continent.¹²⁴

Mexico's perception at the Pan-American Conferences must be seen as part of hemispheric self-defense. Though "the

¹²³Auteta, p. 125.

¹²³Bemis, p. 358.

¹²⁴Lázaro Cárdenas, New Year's Message 1938, México, D.F.: DAPP, 1938, pp. 18ff.

Mexican government [had] given its undivided support to the League of Nations," it also admitted the League's failure in its fundamental aim, the maintenance of peace.¹²⁵ Thus her foreign diplomacy was eager

to seek neither offensive nor defensive alliances or international entanglements, but anxious to live peacefully as an independent nation ... on the complete equality with all states; ... to show respect for other political systems no matter how different from her own and to demand the same respect for her own system.¹²⁶

Overall, the Mexican position at the conferences was consistent with her general attitude towards Nazi Germany. However, the oil expropriation and Mexico's subsequent barter deals through the Davis Company complicated her role in Lima. "Every effort was made to keep the [Davis] deal quiet in view of the formal opening of the Pan-American Conference."¹²⁷ But, again, despite or because of Mexico's pragmatism in her economic affairs, she took the political responsibilities to stem the Nazi menace in her own country as well as within the hemisphere.

¹²⁵Beteta, p. 175.

¹²⁶Ibid., p. 180.

¹²⁷Norman P. MacDonald, Hitler over Latin America, London: Jarrolds, 1940, p. 237.

Interesting in this context is the indifference of the Department IX of the German Foreign Office. There was no attempt to influence the opinion of the various delegates at the Conference.¹²⁸ The various German missions in Latin America overemphasized the North American pressure in this regard which Pommerin perceives as "an alibi for their own confusion" and disinterest in the New World's affairs.¹²⁹ Perhaps it was also frustration, since the Lima mission reported about the general unpromising attitude towards the Reich.

For the time being, the New Germany has not one real friend on the American continent. The scale of the negative attitude by the twenty-one American Republics towards the Third Reich appears only gradually different; it varies through all facets from profound hate to superficial antipathy, coupled with fear.¹³⁰

Of course, at the time the Foreign Office was busy enough trying to justify Hitler's adventurism in Europe. Therefore, the AO, the foreign organization of the Nazi Party, was the most active institution in the Western hemisphere.

¹²⁸See Pommerin, pp. 52-59.

¹²⁹Ibid., pp. 58f.

¹³⁰Cited in Pommerin, pp. 56f. My translation.

Chapter 9

Conclusion

The period between 1936 and 1939 saw the rise of international fascism. In particular, National Socialism sought the dissemination of its "anti-ideology" by propaganda. However, the German ideological penetration faced a stiff resistance throughout the Western hemisphere, as reflected by the American solidarity at the Pan-American Conferences in Buenos Aires (1936) and Lima (1938). In Mexico, National Socialism encountered Cárdenas' well-established one party system, which impeded an extensive absorption of the Nazi beliefs. Moreover, the Mexican president himself was strongly anti-fascist. In consequence, the Spanish Civil War, with Germans and Mexicans supporting and fighting on different sides, set a caesura in the political relations between the two countries.

Though some right-wing Mexican groups and movements adapted some features of the Nazi system in regard to organization and exterior appearance, they always remained distinctively Mexican. Those groups had goals which only

applied to Mexico and therefore, they avoided the connection with international fascism. Yet, traces of anti-semitism and a strong anti-U.S. sentiment, already traditionally existent, supported the Nazi cause.

Overall, Nazi ideology fell on no fertile ground in Mexico, despite or perhaps because of Hitler's bragging megalomania, announcing a New Germany in the region:

We shall create a New Germany there [in South America]. We shall find everything we need there. ... We shall not land troops like William the Conqueror ... Our weapons are invisible ones.¹³¹

These weapons proved to be blunt. Nevertheless, the totalitarian menace in Mexico was greatly exaggerated at the time, in particular by North American writers, but also by many Mexicans and Latin Americans. The reasons herefore were manifold. Some wrote out of a genuine feeling of national self-defense, while others supported the cause of vested business interests. Especially the American oil companies manipulated public opinion in this respect.

In contrast to the relative unsuccessful propaganda efforts of the Nazis, the German economic breakthrough in Latin America in general, and in Mexico in particular, was

¹³¹Hitler to Rauschning. Cited in Kirk, p. 264.

welcomed. While the United States, of course, feared for her "traditional" markets, Mexico perceived the favorable barter conditions of the Reich and the Askimark device as an opportunity to counterbalance her market dependence on the U.S. Consequently, trade between Mexico and Germany increased considerably during the period in question. In respect to the Mexican oil deliveries to the Reich, which was accomplished by the broker function of Davis, Mexico had no choice. Since American and British interests boycotted her oil, the only lucrative customer was Germany.

Therefore, Cárdenas' policies towards Germany in the antebellum period may be described as Realpolitik: The economic needs of the country were pragmatically balanced with the possible limits of political cooperation with the Reich. Or in other words, economic considerations determined the German-Mexican relations, while the fundamental ideological antagonism was kept aloof.

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