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and the Ensuing Propaganda War**

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THE MEXICAN OIL EXPROPRIATION AND THE ENSUING PROPAGANDA WAR By Robert Huesca

The Mexican nationalization of foreign oil holdings in 1938 unleashed a torrent of English-language propaganda in a battle for the support of American officials and public opinion. The Standard Oil Company of New Jersey led the fight in the corner of the foreign operators with the publication of a series of news bulletins, pamphlets, and books often touted as "a factual summary of the events" (Standard Oil 1938b: 1). The Mexican government countered by publishing a variety of periodicals and economic documents and by dispatching teams of officials, labor leaders, and academics to address U.S. audiences in public forums.

Observers of the period from both the United States and Mexico noted the fever pitch of the propaganda and the media coverage that the expropriation generated. Mexican representatives consistently decried the disinformation campaign waged by Standard Oil through the U.S. press and called on their government to act to reverse the damaging effects (Beteta 1940e; Calderón 1938; Castillo Nájera, AGN 1938b; Hay 1938; Noriega 1938; Suárez 1940). Ambassador Josephus Daniels noted in his memoirs that the oil companies "started to build propaganda fires under the [U.S.] government to compel a return of the properties" (Daniels 1947: 231), and a freelance writer criticized the "intense campaign which the oil companies carried out in the Mexican and foreign press and which for sheer distortion of facts has probably never been equalled" (Millan 1939: 200). Yet the *New York Times*, conveying oil company assertions, argued that the Mexican government was not only propagating false information, but was also using that material to mislead even its own people ("People of Mexico" 1938).

A survey of materials published by both sides in the oil debate reveals not so much disinformation, as attempts to focus readers' attention on specific factors of the expropriation by repeating certain images and omitting others. Furthermore, a limited review of archival material sheds some light on Mexico's perception of the seriousness of the oil company propaganda and exposes some of the motivations and actors on the part of the government. Finally, an examination of U.S. newspapers provides a method of assessing the ability of the Mexican government and the oil companies to influence American editors. A study of propaganda effects on the U.S. press is important for any analysis of the impact on American public policy, since entry into these publications would have reached a wider audience and might have guided public opinion either for or against Mexico.

Oil Company Propaganda

For about two years after the Mexican oil expropriation, Standard Oil regularly published press releases, pamphlets, newsletters, appendices, magazines, and books distributed at no charge "in the interest of an informed public." The pamphlets discussed the company's history in Mexico, the legal basis of its operations, the country's record of debt repayment, the issue of American rights abroad, and the indemnification process (Standard 1938a and b, 1940a, b, and c). The five books and six appendices that Standard published claimed to reflect the opinions of the average American, provided deeper background on the day's issues, and dealt with law, the debt, and the State Department's role in the expropriation.

Standard always claimed to hold an objective position when presenting arguments against the Mexican expropriation by reprinting articles, editorials, and cartoons from the world's press. In this way the company deemphasized its own vested interest in the expropriation and pointed out that international opinion had ruled against the Mexican action. *Mexico at the Bar of Public Opinion* best exemplified this approach by reprinting articles and editorials from the United States and Latin America. In the book's preface, author Burt McConnell wrote, "In no other nation could one find such a variety of able, independent, and clearly written editorials on any public question" (McConnell 1939: iii). Yet readers found scant variety among the entries, which were in fact article excerpts rather than editorials. And although the introduction claimed that articles were selected in a random fashion, the reprinted selections appeared to be handpicked diatribes against Mexico. For example, the reporters most frequently selected were writers who disliked Mexico's policy and wrote articles reflective of their opinions. Frank L. Kluckhohn of the *New York Times* and Henry J. Allen of the *Topeka State Journal* were the most frequently reprinted writers, both being cited ten times in the book. After them, Betty Kirk of the *Christian Science Monitor* and J. H. Carmical of the *New York Times* were the next most frequently cited writers. Both Kirk and Kluckhohn were correspondents in Mexico, and their repeated inclusion is logical, if for no other reason than the high volume of copy they produced. But Allen and Carmical were both working from their local bases and seem to have been included simply because of the acerbic tone of their articles on Mexico. Furthermore, prolific writers in the field like Upton Close, who wrote for the *St. Louis Post-Dispatch*, the *Washington Evening Star*, and other newspapers, and Anita Brenner, who wrote for the *Milwaukee Journal*, were virtually ignored, being cited only once each, and in short fragments. Both Close and Brenner wrote more in-depth pieces that tended to expose information unfavorable to the oil companies and sympathetic to Mexico.

In addition to reprinting articles of the period, *Mexico at the Bar of Public Opinion* included forty editorial cartoons from newspapers throughout the United States. The drawings invariably, and predictably, invoked images of the stock Mexican: the stout, mustachioed tobacco fiend, with a towering Emiliano Zapata sombrero, and broken shoes, huarache sandals, or bare feet. As the images of the Mexican were limited, so too were the themes pursued by cartoonists. More than half of the drawings conveyed the message that the oil expropriation amounted to nothing less than thievery and an opportunity seized by the Mexicans to insult the gringos. In the same vein, the seizure was depicted as a convenient maneuver undertaken by a slothful government. American cartoonists also highlighted the Good Neighbor Policy and the accommodating attitude of Uncle Sam. In this scenario, Mexicans played the role of subversives, actively working to thwart U.S. accommodation. Another set of cartoons reflected the position that Mexico itself was the true victim of the expropriation, an assertion repeatedly made in newspaper editorials at the time. A fear mentioned regularly in diplomatic circles and in the press, Nazi and communist influence in Mexico, made only token appearances in the cartoons reproduced by Standard Oil. But an interesting nuance of many of the cartoons was the manner in which they viewed the Mexican action as an affront to American interests in general, rather than an injustice against the oil companies in particular. Oil companies in the United States had received a good deal of bad press because of their perceived greed, allegedly unethical dealings with labor, and product sales to the Axis powers. Cartoonists may have attempted to distance themselves from the oil companies by broadening the issues in U.S.-Mexican relations. This tactic, however, benefited Standard Oil, which relentlessly denied charges of recalcitrance and eagerly pointed to other industries that were experiencing difficulties with the Mexican government.

Using the same tactic of tapping non-Standard Oil news sources, the company published, in both Spanish and English, a monthly broadsheet with the claim, "The material herein has been taken from published sources and is reproduced without comment" (Standard 1939b). *Looking at Mexico . . . or De Cómo Ven a Méjico . . .* did, in fact, present views from numerous locations and publications, but limited its content to stories that reflected unfavorably on Mexico (Standard 1938c, 1939b). Articles reprinted from newspapers like the *Wall Street Journal*, the *New York Herald Tribune*, the *Danville (Va.) Bee*, the *Topeka Capital*, *Excélsior*, *El Universal*, and *La Prensa* may have conveyed a sense of legitimacy and impartiality to the Standard Oil propaganda campaign, especially since many of the charges in the stories could not be refuted. In fact, articles that asserted that Standard had provided housing, education, water, and electricity to its workers, who

were the highest wage earners in Mexico, were corroborated by some Mexican sources of the period (Bosques 1937; Compañía n.d.; Mexico 1940).

Less evenhanded than the news monthly and the bound anthology of editorial opinion by McConnell was another series published by Standard. On these readings alone Standard appears as the benevolent foreign investor lured into the swampy backlands of Mexico, only to be betrayed by a government fully informed of the company's mission from the outset.

Discovery and development of the known oil fields in Mexico were the achievement of British and American pioneers, who came into this region at a time when it was a little-known, pest-infested, tropical wilderness. They came at the express invitation of the Mexican government for the specific purpose of trying to find and to develop oil fields. (Standard 1938a: 1)

Once it had struck oil, Standard took the lead in providing the highest wage scale and most comprehensive package of benefits in Mexico.

It furnished free housing, free fuel and light, medical and hospital care for the worker and his entire family, free transportation, education and recreation facilities, plus contributions to savings funds and other benefits. (Standard 1938b: 1)

In the most dramatic of all its pamphlets, Standard portrayed the Mexicans as lacking the entrepreneurial spirit characteristic of the American oil men. In fact, the Mexicans appear little more than opportunistic manipulators.

For several years the Mexicans watched these Americans going into unhealthy jungles and drilling wells which produced little or no oil. The Mexican attitude was one of incredulity and indifference . . . As soon as it became apparent, however, that the Americans had struck oil in a big way, the incredulity of the Mexican politicians gave way to envy, and the indifference was transmuted (*sic*) into cupidity. The temptation to appropriate what foreign ingenuity, energy and capital were developing in Mexico proved irresistible. Slowly but surely the Mexican Government reached out its fingers and began to squeeze. (Standard 1940b: 1-2)

One of the more substantive topics written up by Standard concerned Mexico's inability to fulfill indemnification payments and the country's poor record on settling its former debts, particularly those resulting from the massive land reform (Standard 1940a). "Mexico's long record of default" totaled \$493 million, Standard claimed. In addition, bonded indebtedness totaled \$976 million, most of which had been in default since 1919. Although the pamphlets never suggested that the United States dispatch the marines, they did advance veiled threats, and certainly urged increased pressure from the State Department (Standard 1939a). This tactic was probably counterproductive, as Cárdenas reacted strongly against the oil companies' petitions to U.S. representatives (Townsend

1952). Although the pamphlets all focused on a specific topic, they all shared the underlying theme that the expropriated properties should be returned to private hands.

Mexican Publications

Prior to the oil expropriation, Mexico had already created the infrastructure for an English-language propaganda network. In December 1936, President Cárdenas initiated the Departamento Autónomo de Prensa y Publicidad (DAPP) as part of his "sales campaign on behalf of the Six-Year-Plan, blueprint of his administration" (Plenn 1939: 28). The DAPP operated out of the Foreign Relations Secretariat and functioned as the government's official press office, handling both foreign and domestic news inquiries. Shortly after the expropriation, the DAPP coordinated all legal and political "informaciones" regarding oil, and Cárdenas instructed the entire Mexican diplomatic corps to channel all propaganda complaints and suggestions to it (Hidalgo 1938).

Although the Mexican Congress officially created the DAPP in late 1936, it had actually been publishing books and periodicals since 1934. Most of its editorial activity had been in Spanish during this period, but it also published a weekly, four-page document of government news called the *Weekly News Sheet*. Furthermore, it published a book, *Guide to the History of Mexico* by Alfonso Teja Zabre, which it distributed free with the condition, "If you like it and want to keep it, send remittance, if not, return the book" (Advertisement, *Weekly News*, 1935: 4). The *Weekly News Sheet* routinely carried declarations from and reports on the various ministries in the government. In addition, the bulletin periodically carried essays on socialist education, agrarian reform, and other social welfare programs. Occasionally, the sheets provided official government statistics that may have been useful to foreign correspondents, the targets of the publication. But more frequently, the pages were crowded with platitudes.

After the oil nationalization, Mexico's incipient propaganda machine gained momentum rapidly. The most regular publication during this period was the *Mexican Labor News*, an 8 1/2 by 11 inch weekly, published by the Workers University of Mexico, and distributed to 4,000 individuals and organizations abroad for a one-dollar annual subscription fee. In the months prior to the expropriation, reporting in the labor publication focused on the legal dispute and its technicalities and on the obstinacy of the oil companies. In general, these articles chronicled the legal phases of the appeals process in the Mexican courts and also reported on actions taken by government and labor officials ("Mission of Oil," "Oil Companies Refuse," "Oil Fight Tactics," "Oil Situation Marks," "Supreme Court Upholds," 1938).

The Mexicans frequently reported on their ability to run the oil industry in the event that the foreign companies abandoned the country. And the newspaper continually reassured its readers that the nation would not be adversely affected by an oil company pullout. These declarations may have had two functions: to avert public panic if and when the industry were nationalized, and to maintain pressure on the oil giants. In fact, labor leaders like Vicente Lombardo Toledano, head of the Confederation of Mexican Workers (CTM), spoke of the expropriation of foreign operations as inevitable, according to his declarations published in *Mexican Labor News*.

After the government expropriated the foreign holdings, the oil issue appeared on the pages of *Mexican Labor News* more regularly, and the focus of the coverage shifted from legal aspects to issues of imperialism, national sovereignty and economic well-being, oil company cooperation, and international support. Mexico emphasized that the principles of national sovereignty, which had been recognized internationally, permitted the government to expropriate the properties and to settle indemnification terms in its own courts. President Lázaro Cárdenas told an audience in Sinaloa, "We have the right to defend our sovereignty and," the President added, "in this matter, fortunately, it has received the juridical recognition of all the countries of the world" ("Mexico Will Not" 1939). And the newspaper repeatedly parroted labor's assertions that the oil companies were mere agents of imperialism ("Oil Workers Confident" 1939, "CTM Condemns Anti-Labor Meddling" 1941). Often, messages of economic health and freedom accompanied anti-imperialist themes. On the first anniversary of the expropriation, Cárdenas called the action "historic, affirming the economic and political stability of Mexico" ("Labor Groups Lead" 1939). This message continued to the second anniversary celebration where the masses "paraded through the streets with cheers and music and with banners that proclaimed: 'The Wealth of Mexico Must Be Possessed by Mexico!'" ("Mexico Celebrates Second" 1940). Finally, *Mexican Labor News* optimistically reported on negotiations with the oil companies and stressed the likelihood of compromise and a final solution throughout 1939 and 1940. This approach caused some uneasiness among labor leaders in Mexico, but was probably in the nation's best interest abroad, as it gave the appearance that the Mexicans were willingly and actively participating in negotiations. Since the labor publication was officially sanctioned, liberals in the United States could theoretically display the newspaper as informal evidence of Mexican policy, and thereby combat U.S. hard-liners urging a more punitive position from the State Department.

Apart from *Mexican Labor News*, the government's most elaborate project was the publication of *Mexico's Oil*, a gargantuan 881-page translation of the report (originally 2,700 pages) prepared by the Federal Board of Conciliation and Arbitration in August 1937

(Hamilton 1982). The report appeared to be a solid work documenting the details of the economic and social situation of the oil companies and their employees. For example, the book convincingly demonstrated that foreign workers in Mexico earned substantially more than the native Mexican laborers who virtually could not work up to managerial positions. Furthermore, it showed that foreign companies paid their Mexican laborers three to four times less money than their U.S. workers performing comparable services.

Whereas much of the information reflected negatively on the foreign companies, many of the details tended to support the position of the oil companies. For instance, the book pointed out that the oil companies complied with federal housing laws and provided workers with residences that the report qualified as in good condition. It also reported that the companies provided their workers' children with schools, which had adequate water and sanitary services. Only about half of the classrooms contained desks and chairs, however, and the student-teacher ratio was forty-eight to one. Finally, some of the details of the government's award to workers, such as a 42,000-peso fund for hiring bands, did appear removed from the issues of wages, benefits, and working conditions.

The only other English-language publication initiated by the Mexican government during this period was a monthly, 16-page magazine called *Mexico News*. Beginning in 1941, the magazine was issued free by the "Bureau of International News Service Department of State for Foreign Affairs." The publication acted as a document of record to a large degree, reprinting political speeches and focusing on government reports. Very few of the articles dealt with petroleum, and those that did provided production statistics in a straightforward and largely uncontentious manner.

Mexican Actors

Although the oil crisis accelerated the generation of English-language propaganda, Mexican leaders had previously acknowledged the need to present their version of events directly to the North American audience and were acutely sensitive to criticisms from outside the country. This sensitivity was certainly present at the inception of the Cárdenas administration and was reflected through the press office of the official party (all block quotations of primary documents appear in their original English or Spanish).

When I was chosen Secretary of Press and Propaganda in the National Executive Committee of the National Revolutionary Party conclusive evidence was brought to my attention that agencies of several kinds were busy beyond our frontiers spreading misinformation about Mexico in general and the Party in particular. Therefore I suggested, and the Committee approved, the creation of an information bureau at the service of the foreign press and of foreign students of Mexican development . (Bosques 1937: ix)

