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## Labor and the State in the Mexican Oil Expropriation

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The expropriation of the foreign oil companies seemed to define Mexican national character so sharply in 1938<sup>3</sup> that everyone had attempted to appropriate its meaning for his or her own ends. Even as the event unfolded, the chief protagonists sought to explain what expropriation amounted to. Vicente Lombardo Toledano depicted the crisis as one in which rapacious, money-grubbing foreign capitalists were ravaging the national patrimony. Intellectually anti-imperialistic, he suggested that the expropriation represented nothing less than economic emancipation of Mexico.<sup>1</sup> President Lázaro Cárdenas also desired to explain the event in nationalistic terms. In his nationwide radio speech of 18 March 1938, Cárdenas projected the crisis as one of national sovereignty. The oil companies had brought the nationalization upon themselves, he said, when they defied Mexican courts, sought diplomatic protection, intervened in domestic politics, and provoked capital flight.<sup>2</sup> Politicians, writers, and scholars—not all of them Mexican—subsequently have interpreted this event basically within international parameters.<sup>3</sup> Few inquire as to what the oil nationalization meant in terms of the relationship between labor and the state, essentially an internal matter. After all, it had been an oil workers' strike that precipitated the crisis leading to expropriation.

This paper casts aside the standard perspectives to examine why, in addition to patriotism, Mexican labor had played a prominent role in the Mexican oil nationalization. It posits that the oil workers had pressured the Cárdenas government, ultimately, to expropriate the Mexican oil industry. They began seizing oil industry assets prior to the actual nationalization, and immediately thereafter, took the leading role in replacing refinery and oil-field supervisors, both foreign and Mexican, with loyal union members. The oil workers had seemed quite resolved to shut down the oil industry, threatening ruin to the oil-dependent national economy, if the need had arisen. In the process, they joined the political process rather than shunning it. If the workers did indeed force the expropriation of the oil industry, why

did they? What motivations did their behavior—as opposed to the rhetoric of their leaders—believe? How did the struggle engender strong, sometimes tyrannical, leadership?

This paper proposes that the Mexican oil workers, forming part of the nation's "labor aristocracy," were reacting to economic deterioration within the oil industry. Oil workers organized, reluctantly, only to demand job security, of which seniority rights were as important as wages. Their reactions to job insecurity gave rise to internecine struggles, intense turf battles, and militant political action. Workers negotiated with employers and politicians and among themselves. Of necessity, the struggle strengthened those labor leaders who could deliver results, by whatever means. Nationalization of a weakened and much reduced industry may not necessarily have been the only solution guaranteeing the security of the workers. It was, nonetheless, the logical outcome, given the oil companies' inability or refusal to allay the insecurities of their own proletarians.

### **Proletarianization and Job Insecurity**

Developing initially during the dictatorship of Porfirio Díaz, the foreign-owned oil industry experienced a boom in the First World War, by the end of which Mexico was the world's second leading producer of petroleum after the United States. Located along Mexico's Gulf Coast, these oil fields escaped the worst depredations of the Mexican Revolution. Approximately fifty thousand Mexicans had become employed by the oil companies; many thousands of others migrated to Tampico and Minatitlán to find work in the construction and service industries. They developed industrial skills, earned three times the wage of agricultural peons, and severed their ties with peasant villages. In a word, they became proletarianized.

Even so, the consequences of their increasing dependence on selling their labor power did not become immediately apparent to the oil laborers. High wages and burgeoning production helped the Mexicans tolerate the even higher wages and greater privileges accorded to American workers. The honeymoon ended in 1915. The economic dislocation of revolution at home and the industrial scarcities produced by world war abroad raised the workers' cost of living. When the foreign companies refused to adjust wages upward, laborers began organizing. Even before the 1917 Constitution recognized their rights, mechanics, boilermakers, firemen, pipefitters, carpenters, and boatmen formed craft unions and struck for higher wages and parity

with foreign workers. They often succeeded in raising wages, at least. Nonetheless, the oil workers had never desired to smash foreign capital. Nor did they participate in the events of the Revolution at Tampico.<sup>4</sup> By 1919, their militancy cooled considerably, as wartime shortages eased worldwide.

Then, the boom ended abruptly in 1920, once again disrupting the livelihoods of the oil proletarians. Salt water invaded the Mexican oil reservoirs, and prices slumped due to overproduction in other parts of the world. In 1921, the companies streamlined their operations and laid off several thousand laborers. Even as the industry declined, its ownership became more consolidated. In 1919, Royal Dutch Shell purchased the largest of the Mexico-based companies, El Aguila. This British firm handled approximately 60 percent of the nation's oil business. The Standard Oil Company of New Jersey in 1932 bought Mexico's second largest company, the Huasteca. Petro-Mex, a state company, and other foreign concerns shared but a small portion of production and markets.

Labor militancy came in fits and starts. The workers were motivated by, but did not unionize during, times of economic stress. They quietly suffered the postwar depression, but the slight recovery motivated those still retaining their jobs to organize anew. The old craft unions formed the nuclei of the refinery and terminal unions of the mid-1920s. Workers at the El Aguila refinery at Tampico, assisted by local politicians, engineered a remarkable triumph in 1923. Their organizational strike forced the company to sign the first collective contract in the industry. Pay raises, the eight-hour workday, and indemnities for layoffs were among their important gains.<sup>5</sup> Laborers at other refineries soon followed suit. Great rivalry existed between the labor leaders. They competed with the companies—and each other—to control the workplace. Foreign, mostly American, supervisors and workers were resented for their superior pay and privileges and for their rank racism.

Labor militancy now gained national significance. The Confederación Regional Obrera Mexicana (CROM) sought to bring the oil unions into its national organization, but with limited success. The Minatitlán refinery union came under CROM affiliation, only to have the national leaders in Mexico City, for a hefty fee, negotiate an end to their 1925 strike directly with El Aguila.<sup>6</sup> Tampico, however, remained beyond the clutches of national labor leaders, and rivalries between labor organizations often undermined the gains. Such was the case with the 1925 strike against Huasteca. Refinery workers had just succeeded in unifying most of

Huasteca's oil-field laborers into the first companywide union. But the new union's officials rashly called a strike to force the company to dismiss rival labor leaders. The government disapproved, the workers broke ranks, the strike failed, and Huasteca's company-wide union disintegrated. Most of its members were never rehired.<sup>7</sup> Softening prices and additional production decline in the late 1920s intimidated workers, permitting companies to economize their operations in Mexico.

The Depression contributed to the grudges that oil workers—or what was left of them—were storing up. Crude production declined even further as international prices once again took a nosedive. Newly acquired by Jersey Standard, Huasteca took advantage of the soft markets to rebuild its refinery at Mata Redonda, across the river from Tampico. Coming back on stream in 1932, the new refinery somewhat relieved the unemployment in the city, but its operations now were more efficient.<sup>8</sup> For those still retaining their jobs, wages were reduced by 10 to 15 percent, although an observer noted that the prices of foodstuffs did not vary. Smaller companies shut down installations and merged with larger ones.<sup>9</sup> At the Penn Mex Fuel Co., which would soon merge with Huasteca, the readjustments for labor in 1931 included the following:<sup>10</sup> 15 percent of the workers were temporarily reduced; 10 percent were to work one day less (five days instead of six); and 25 percent of the workers (the highest paid) had their wages reduced by one-tenth.

Unions in all the companies, great and small, had to accept the cuts. It was no time to strike while companies economized in order to stay competitive in the international oil industry. Companies were vulnerable to direct action—to strikes—only during times of expansion. Oil proletarians had suffered mightily in the great layoffs of 1921 and the early 1930s. The decline in Mexican production and price fluctuations in the world market reduced the number of oil laborers from fifty thousand in 1920 to fifteen thousand in 1935.<sup>11</sup> Still, along with the railway and mining laborers, oil workers constituted the cream of the Mexican working class. Labor militancy, in a way, became an effort to preserve privileged jobs in a surplus labor market. When militancy returned to the refineries and oil fields, these “aristocrats” among Mexican laborers would seek job security with the same measure of intensity that they had suffered conditions of insecurity during the Depression.

Two events, one exogenous and the other endogenous, provided the opportunity for oil workers to redress past grievances. First, Mexico pulled out of the Depression. In 1934, exports returned to their 1929 levels, and oil prices had recovered. The

efficiencies and mergers accomplished by the foreign companies had permitted Mexico to remain competitive on export markets with the new petroleum entrant, Venezuela. El Aguila had brought in the first new oil discovery in a decade at Poza Rica, which eventually produced 40 percent of Mexico's total crude oil. The domestic economy also rebounded, and domestic demand for petroleum rose significantly. Encouraged by the government, El Aguila constructed a new refinery outside Mexico City at Azcapotzalco and connected it to Poza Rica with a trans-Sierra pipeline.

The second event, not unrelated, was political. National leadership had been in flux since the assassination of President-elect Alvaro Obregón in 1928. Opportunities existed for the mass organizations to be heard and to make alliances with politicians seeking to consolidate national power. The breakup of the CROM, a victim of the inchoate political climate, permitted Lombardo Toledano's breakaway Federación Regional de Obreros y Campesinos (FROC) to form the nucleus of an alternate national labor group. The political opening encouraged thousands of peasants and workers throughout the country, taking advantage of the economic resurgence, to reorganize their groups. Strike activity rose along with demands for land reform. Coalitions of power-seeking politicians lurched to the left to capture these popular demands, and President Abelardo Rodríguez took the opportunity to garner popular support for a successor who might withstand the veto power of ex-President Plutarco Elías Calles.<sup>12</sup> No matter what the state's intentions were to control popular demands, Cardenismo was to be no top-down reform movement. The pressure from below in the petroleum industry began in Minatitlán and soon spread to Mexico City, Tampico, and Poza Rica. The oil workers, motivated by keen memories of Depression-era desperation, were about to rebuild their labor organizations from the ground up. The necessary by-product would be a tough, demanding intermediate leadership, the new labor *caciques*.

### **Revolution at Minatitlán**

The least productive of the old Mexican oil fields generated early labor militancy by virtue of the severity of their economic crisis. El Aguila reigned supreme on the Isthmus. Its assets—several small oil fields of indifferent production, the Nanchital oil terminal at Puerto México, and the refinery at Minatitlán—provided the scene of much competition among rival unions to retain a declining number of jobs. The

drive for labor's control of the workplace contributed to factional disputes between groups representing the different facilities. Their internecine rivalries spilled over into national politics and propelled local contestants to solicit outside alliances in order to dominate each other. The refinery leaders won out over the oil-field and terminal groups. They did so, ultimately, by cooperating with unions representing other refineries in fashioning a national union.

The refinery had been a CROM enclave since the 1925 strike. But the national decline of CROM provided an occasion for rivals to dispute suzerainty. They had help from local authorities. Company officials noted that a small mechanics union had formed at the refinery in 1929 to challenge the dominant *cromista* Unión de Obreros. The rivalry held up negotiations for the next labor contract, as municipal authorities favored the new Frente Unico, later the Alianza. The federal labor inspector supervised an election among the workers, judged the CROM Unión de Obreros to be in the majority, but was overruled by the Secretariat of Industry. His replacement continued the official persecution of the Unión, accusing the CROM and company of working together to defraud the workers of their legal rights.<sup>13</sup>

The interunion struggle intensified when the company continued layoffs in the Isthmus into 1933. All seventeen of the men laid off early in May belonged to the Unión de Obreros and none to the Alianza. Rather than being laid off, four Alianza men were reassigned within the plant. As management explained to the labor inspector, El Aguila had 1,300 workers at its Minatitlán plant and had to give preference to the majority union.<sup>14</sup> Labor tensions often spilled over into local politics, and vice versa. Manuel Fuentes in 1933 was an *agrarista* and president of the Congregación of Gavilán Norte who also worked as a watchman at the Agua Dulce oil field. The men who assassinated Fuentes were workers at El Aguila. But, as municipal officials, they were his political enemies as well.<sup>15</sup> Where did political violence end and labor violence begin in such a situation?

When El Aguila began rehiring, the competition among workers and their representatives became more intense. At the oil field of Agua Dulce, the minority union, the Sindicato Unico, became annoyed when the company stopped deducting union dues, thus depriving the Unico virtually of its existence. Unico officials accused the company of favoring the rival "Agupación Blanca." Moreover, those of its members who had suffered demotion during the Depression now discovered that their old jobs were going to men with less skill and seniority. Few of the Unico's

men were being reinstated to their old jobs.<sup>16</sup> But the majority union at Agua Dulce, whether a “white” group or not, did not permit El Aguila complete freedom in its personnel matters. Two Mexican drillers at the nearby Francita oil field, having learned a skill that American workers had for so long monopolized, were out of work when Francita was scaled down. El Aguila had wanted to transfer the men to Agua Dulce but the majority Sindicato de Obreros blocked the transfer.<sup>17</sup>

Union leaders believed—and government officials agreed with them—that a closed shop would reduce much of the intense competition and divisiveness between workers. The unions would decide which applicants would be sent to company openings. Free workers could remain at their jobs but, when they left, they would be replaced by union members. The so-called exclusionary clause also had its disciplinary features. If the union expelled a worker from membership, the company was obliged to fire the man. The exclusionary clause was the major demand of the Isthmanian oil workers in the spring of 1934. All the companies opposed it. El Aguila called it unjust. While the nation’s enlightened labor laws limited the exploitation of workers by bad employers, El Aguila claimed, they did nothing to curb the abuses of immoral labor bosses. The exclusionary clause also promoted mediocrity in the workplace. “En la práctica,” El Aguila informed President Abelardo Rodríguez:<sup>18</sup>

probablemente significará que bajo un pretexto u otro, los trabajadores más diestros y competentes, con el mayor número de años de servicio, quienes por razón de su competencia y experiencia estén ocupando los puestos mejor retribuidos y de mayor responsabilidad, paulatinamente serán expulsados del Sindicato y, por tanto, despedidos por la Compañía, dando esto por resultado que dichos trabajadores se encontrarán sin trabajo después de muchos años de servicio. No se escapará a su ilustrado criterio la lógica de esta conclusión, por razón del hecho de que en el caso de todos los Sindicatos en los campos petroleros y las refinerías, la mayoría de sus miembros está compuesta, por razón natural, de los trabajadores más ignorantes y menos diestros.

And how did some Mexican workers feel about foreign management? From the Isthmus, one worker wrote that El Aguila:<sup>19</sup>

trata á los trabajadores mexicanos, llegan de a casi establecer un estado de superioridad racial entre los nuestros y los súbditos ingleses que en ella sirven. Expone que en esa región—los trabajadores mexicanos en todas las ramas de esa empresa, disfrutaban de un salario muy inferior a los extranjeros que desempeñan las mismas labores, siendo además objeto de toda clase de atropellos y arbitrariedades en sus derechos. Sus habitaciones son siempre las peores y más antihigiénicas.

When workers at the Nanchital terminal went on strike in May, they demanded both the exclusionary clause and the mandatory unionization of all foreigners. American diplomats thought this was one way that the Mexicans could rid themselves of foreign competition for the better oil jobs.<sup>20</sup> Get all foreigners into the unions, then expel them, forcing the companies to release them without severance pay.

When the big strike came on the Isthmus in May 1934, 3,500 oil workers were off the job. Sometime during the previous month, Luis R. Torres and his Unión de Obreros at Minatitlán had quietly dropped their affiliation with CROM.<sup>21</sup> The dominant group soon rechristened itself as the Sindicato de Trabajadores, and wrested majority representation of the refinery once again. It joined a loosely organized Federación de Sindicatos de Trabajadores de la Industria del Petróleo y sus Derivados, made up of the unions at Agua Dulce, Las Choapas, Francita, Nanchital, the Minatitlán stevedores, and the minority Alianza of the refinery.<sup>22</sup> The strike began on May 12.

The chief demand was the exclusionary clause, which labor leaders wanted in order to combat their rival “white” unions. El Aguila requested that the JFCA declare the strike illegal, because one of the participating unions had not given due notice. Union leaders showed themselves to be less than united in their response. They could not agree on the selection of a committee to represent them and missed the scheduled hearing in Mexico City.<sup>23</sup> Nonetheless, the unions forced the company to agree to binding presidential arbitration. The American companies were to be furious at the British company for giving in to the workers, for the Laudo Presidencial of 1934 would soon encourage other oil workers to request the Minatitlán contract. It consisted of:<sup>24</sup> the exclusionary clause; establishment of *escalafones* and seniority rights for promotion; reduction of the work week to 46 1/2 hours; a basic three-month severance pay in case of layoffs; half salaries for sick workers; medical benefits for families of workers; equal pay for equal work; retirement benefits;

obligatory pay for days of rest; and salary increases for workers making less than \$5.00 pesos per day.

Very soon, the company was to see how the exclusionary clause was going to work. Unions activated the clause when they were sensitive to any loss of advantage in their struggle with other unions over *radio de acción*. The Nanchital union expelled Miguel Beltrán when he asked the El Aguila paymaster to stop deducting his union dues from his paycheck. It viewed Beltrán as a threat to worker unity.<sup>25</sup> The exclusionary clause also gave labor leaders additional ability to interrupt the transfer of persons within the industry. For example, the refinery union at Minatitlán claimed jurisdiction over the new exploratory field at Campo Tigre, reserving the jobs for fifty-one part-time workers (*eventuales*) from the refinery. Then, when some of the workers were transferred to the Nanchital terminal, its union asked that they be fired for being hostile.<sup>26</sup> One-hundred nineteen men involved in drilling still could not get jobs at Agua Dulce, and the closed shop meant that the company was forced to let them go, paying them all severance pay. Then, when Agua Dulce too was phased back, its workers faced union opposition to their own transfer to Las Choapas. Agua Dulce was the scene of much labor agitation in 1935 and 1936, as the oil union, even with the exclusionary clause, proved unable to save jobs in another declining Isthmanian oil field.<sup>27</sup> These out-of-work oil-field men were also not exactly welcomed by their fellow workers at Poza Rica.

Neither the exclusionary clause, the collective contract, nor the presence of relatively enlightened British managers (as opposed to hard-line Americans) were to bring labor peace to the Isthmus of Tehuantepec. Having consolidated majority unions within their own installations, now labor leaders began to fight among themselves. They disputed questions of transfers and pay equalization between the refineries and the oil fields. Most of all, they disagreed about which of them would represent the Isthmanian oil workers at the regional and national levels. It was a tug-of-war between the Minatitlán refinery and the Nanchital terminal. When Nanchital seemed to gain the upper hand in the Federación de Sindicatos de Trabajadores, Luis Torres of the refinery workers denounced its leaders as “*personas extrañas, que solo buscan su mejoramiento personal,*” and withdrew.<sup>28</sup> The Minatitlán refinery union subsequently was able to name Torres as the labor representative to the local Comisión Mixta. Thereafter, Nanchital was reluctant to submit their complaints about accidents to the commission.<sup>29</sup> Nanchital attempted to outflank their

Isthmanian rivals by forming a national oil workers union. This time, the refinery men at Minatitlán called on aid from refinery unions at Tampico to deflect this threat. Ultimately, as we shall see, the refinery workers—not the smaller terminal and oil-field groups—would successfully create the national oil union.

Internal strife and the fact that oil unions elsewhere began winning better contracts than the 1934 Laudo kept the Isthmus in a constant state of agitation right up to the expropriation. The federal labor inspector at Minatitlán expressed the opinion that most workers did not favor constant strikes and threats of strikes but were under the influence of “líderes faltos de escrúpulos.”<sup>30</sup> One thing the arbitration of Abelardo Rodríguez may have accomplished was the complete conversion of old CROM leaders to the popular coalition supporting Lázaro Cárdenas. In the first Cárdenas-Calles showdown in 1935, the formerly *cromista* leaders led the Sindicato de Trabajadores in a victory march. “¡Viva el General Cárdenas!” they shouted. “¡Abajo los Jefes Máximos!”<sup>31</sup>

### **Unionization at Azcapotzalco**

El Aguila, Mexico’s largest petroleum company, fulfilled a long-term commitment to the government when it began construction, in 1930, of the refinery at Azcapotzalco, outside Mexico City. It could not have come at a more propitious moment. El Aguila provided employment for several hundred Mexican construction workers. Most were unskilled peons, engaging in transitory work under individual contracts guaranteeing them no rights to longevity. Skilled workers received a three-day trial period before they could sign on more permanently. “La Compañía será la única capacitada,” its officials announced, “para determinar el numero de trabajadores que se necesitan en cada obra de construcción y las fechas en que ya no sean necesarios los servicios de cada uno de sus trabajadores, por la disminución de las obras.”<sup>32</sup> Long accustomed to the Mexican proletariat’s demands, El Aguila obviously sought to avoid labor agitation at its new facility.

A nucleus of workers, nevertheless, organized the Sindicato de Obreros y Empleados de la Refinería de El Aguila, Azcapotzalco in August 1931, long before the refinery came on line. Responding to that year’s new labor law, they presented the company with a collective contract that featured the exclusionary clause. They demanded that the company recognize the union, abolish individual contracts, and accept members for new jobs.<sup>33</sup> The incipient Sindicato de Obreros claimed

affiliation to the Confederación General del Trabajo (CGT), a national confederation and longtime opponent to the CROM. Its leaders claimed that the company intended to replace its present employees with CROM workers from Minatitlán. The company replied that the construction work was transitory and that refining operations necessitated workers with specialized skills. But a government-sponsored vote of workers indicated that only one out of five favored a strike.<sup>34</sup> No sooner had the Sindicato de Obrero's initiative ended than a rival union group presented their demands to the company. Affiliated to CROM, the Sindicato Unico de la Refinería El Aguila, presented a collective contract, much less demanding on the company. A second government-monitored vote, by a 4-to-1 margin, awarded the Unico leaders as representative of the refinery's constructors.<sup>35</sup> It had yet to begin operations.

Not having the exclusionary clause, the Sindicato Unico soon lost control of the workers at the refinery. El Aguila built the new facility with contractors who usually brought in new workers for each separate project. By the time it came on line in October 1934, not a single worker had been there since work began in 1930. A majority of workers had signed on during the previous ten months. The high turnover may have weakened the control of Sindicato Unico over the workers, for a leadership struggle split the Unico into two factions. Another government-monitored election in July 1934 gave one faction of the Unico a 2-to-1 majority over the other.<sup>36</sup>

But the defeated leaders were not giving up. They joined the old minority union, the Sindicato de Obreros, and fashioned an alliance with Lombardo Toledano. Each rival union accused the other of being the *sindicato blanco* and blamed the company for discharging its own partisans. Fights broke out at the construction site, and El Aguila officials blamed the Unico for disruptive propagandizing during working hours. Finally, the Obreros presented a collective contract to El Aguila and threatened to strike if the company did not sign it. The Sindicato Unico retaliated by demanding that the company dismiss the Obreros' leaders. President Rodríguez sought to have both union groups dissolve in order to form one union. The Unico refused, and shortly after Cárdenas took office, the Obreros' leaders recruited the clerical workers at El Aguila's downtown office and reconstituted itself as the Sindicato de Trabajadores. It then rejected the company's proffered contract identical to that which Minatitlán workers had just won. Eventually, the new majority Sindicato de Trabajadores gained an even better contract, complete with the

exclusionary clause.<sup>37</sup> The one refinery where El Aguila officials had hoped to avoid labor problems now had an aggressive union on very good terms with Lombardo Toledano and with sympathetic friends in Cárdenas's labor department. While the struggle had been between rival unions, the company was the final loser. The new collective contract made it quite difficult for the company to dismiss anyone who did not wish to leave. Much the same was occurring in Tampico.

### **Power and Hegemony in Tampico**

As elsewhere, the proletarians at Tampico suffered the unemployment of the Depression silently. When the oil companies began rehiring in 1933, however, they too began to take matters into their own hands, struggling as much among themselves as against their dependence in the industrial workplace. They demanded the assistance and recognition of local and national political authorities, and they got it.

At Mexico's largest refinery of El Aguila, located in Tampico's industrial suburb of Ciudad Madero, worked the largest concentration—perhaps five thousand—of skilled and semiskilled Mexican laborers in the nation. They had also formed the most important and powerful union in the country. Dating from 1923, the Sindicato de Obreros, had the collective contract at the refinery. It called for an eight-hour day, a week's paid vacation, and severance pay for laid-off workers. From 1928 to 1932, many of its workers had collected severance pay at one time or another. Union men had no special right to work except as related to their skills or previous El Aguila experience.<sup>38</sup>

Nevertheless, the refinery workers continued to fight among themselves for whatever jurisdiction over the workplace remained for the unions. The militant leader of the 1920s, Serapio Venegas, had been voted out of the directorate of the Sindicato de Obreros; then, in 1932, he was assassinated. At the time, the Sindicato was reeling from the large number of discharges of workers from the Tampico Refinery.<sup>39</sup> New labor leadership in 1933 was spoiling to regain some of the old hegemony of earlier days. The Sindicato de Obreros broke up into two factions. Three hundred workers met in March to form a rival refinery union called the Sindicato de Empleados. It presented the refinery with a labor contract, which the company ignored. A turf battle also broke out between oil workers and boatmen who labored on the Pánuco River for El Aguila. At one point, *pistoleros* ambushed and killed

one faction's leader, for which five labor organizers were convicted.<sup>40</sup> State and local officials were also implicated in the confused affair.

The interunion struggle intensified when the company began rehiring beginning in May 1933. At the reopening of the canning factory at the Tampico refinery, the breakaway Sindicato de Empleados accused company officials of conspiring with the majority Sindicato de Obreros to exclude its men. Armed guards at the gate of the canning factory even threatened members of the minority union.<sup>41</sup> Competition for these jobs was indeed keen, as agriculturalists too aspired to oil work. "Pues un sinnúmero de familias organizadas carecen de pan para sus hijos," wrote a campesino group located near Tampico, "y no es justo que gentes de otros lugares utilice citada Compañía [de El Aguila] en trabajos de referencia quitándonos en derecho legal que nos asiste en el presente caso."<sup>42</sup> The refinery's foreign personnel managers still decided whom to employ and where, but the *exceso de brazos* motivated those who already had jobs to obtain some measure of security in them.

In this internecine struggle, each rival labor faction sought the aid of federal authorities, while complaining of state and local obstructionism. They also asked for state and local intervention, while lamenting federal inactivity. Former President Emilio Portes Gil, at the time serving as the nation's attorney general and also the leading *tamaulipequeño* politician, came to be the focus of one faction's recriminations.<sup>43</sup> The internal El Aguila dispute was part of larger factionalism among local leaders that split the labor forces at Tampico. The police were summoned to one local convention in 1933, expelling fourteen labor delegations in disfavor with municipal authorities.<sup>44</sup> As Mexico came out of the Depression, local and state officials were participating in the same kind of political realignments as the labor leaders.

In the election year of 1934, the factionalism among the workers of Tampico became clearer. The group led by the taxi drivers union had formed the Cámara de Trabajo and outflanked a coalition of the stevedores union and local *portesgilistas*. With the help of local officials, the Cámara pushed through a minimum wage rate at Tampico of \$3.00 pesos per day.<sup>45</sup> National events, in the meanwhile, focused on the strike in Minatitlán, where workers were demanding the exclusionary clause. Workers at Tampico staged a sympathy strike, idling a total of eight thousand workers.<sup>46</sup> The federal government desired to unify all workers in Tampico and throughout the country. Federal labor inspectors asked the Tampico labor leaders to

collaborate in electing a labor representative to the three-member local Federal Board of Conciliation. Capital and the state each would also provide a member in an effort to “balance” the “antagonistic” elements of labor and capital. Clearly, federal mediation accomplished little. The Cámara del Trabajo forced a second election when the first winner was not to their liking. As a prominent member of the Cámara, El Aguila’s resurgent refinery union gained sufficient political alliance to survive the factional infighting. Other Tampico refinery unions at Huasteca and Pierce/Sinclair also belonged to the Cámara. Cooperation between the powerful local unions enabled each to maintain control of its own members, especially during the restive time of post-Depression Tampico.<sup>47</sup> The labor struggle was emerging from the shop floors to local, state, and eventually national levels.

The workers of the Huasteca Petroleum Co. (from 1932 owned by the Standard Oil Company, New Jersey) may have been more typical of the workers from many smaller companies. Their whole labor struggle centered around resisting layoffs and redundancies due to loss of production, improvements in efficiencies, and business decline. Originally founded by Edward L. Doheny, Huasteca had been in slow decline since 1921. The company had laid off hundreds of workers during the 1921 depression, following the broken strike of 1925, and again when it rebuilt its Tampico refinery in 1930. Unlike El Aguila, Huasteca had discovered no new oil field since 1920. Due to attrition, the company had been able to keep the union relatively weak at its refining plant at Mata Redonda, across the Pánuco River from Tampico. Workers’ representatives, for that reason, relied on assistance from the government and from fellow unionists at Tampico. “Solicitan su influencia,” the Cámara del Trabajo wrote to President Rodríguez in 1934: <sup>48</sup>

para que sea favorable el laudo, al Sindicato Unico de Obreros y Empleados de la Huasteca Pet. Co. en la demanda que tiene ante la Junta Fed. de Con. y Arb. contra la Huasteca Petroleum Co. en el caso de la separación injustificada de los CC J. Castellanos y J. Larios. Los Compañeros Larios y Castellanos son los únicos sindicalizados en su respectivos departamentos además los que tienen mayor antigüedad, han sido sustituidos por trabajadores nuevos. Hacen más apreciaciones sobre el injustificado movimiento de reajustos de la Empresa.

In 1934, the Sindicato Unico presented the company with a new collective contract, based on the Minatitlán settlement. The union demanded the exclusionary clause for itself and for El Ebano oil-field union as well, and severance benefits for ninety-three part-time workers laid off by Huasteca.<sup>49</sup>

The Sindicato Unico made its big push in 1935, taking on both the Huasteca Company and the free workers. The strike began on January 23, and idled six hundred men in the Huasteca refinery and terminal for several months. The Sindicato Unico offered to return to work if the company would agree to arbitration by President Cárdenas. Huasteca would have none of it. The strike dragged on through April, exhausting the strike funds of the Sindicato Unico and those of its affiliate unions in Tampico. The Federal Board of Conciliation (JFCA) had declared the strike to be legal according to Mexican labor laws. Huasteca immediately brought suit (*amparo*) and the Supreme Court reversed the JFCA decision. The higher decision meant that Huasteca, by law, did not need to deal with the Sindicato Unico—or reimburse its members for their lost pay during the strike. The latter appealed for the direct intervention of President Cárdenas.<sup>50</sup>

Huasteca managers took a very hard line against organized labor. They preferred to keep the Tampico refinery permanently closed, said an American diplomat, “rather than compromise with the workers, who have struck eight times in the past twelve months.”<sup>51</sup> A confrontation at the refinery between free and union workers resulted in the death of one free worker and injury of another. Ultimately, the free workers requested military protection from the government, which federal officials were unwilling to do because the Sindicato Unico might consider it an aggression.<sup>52</sup> The strike failed at the end of November 1935. The Sindicato Unico’s ultimate lack of success in gaining a collective contract similar to El Aguila’s refinery union rankled the leaders. They cooperated with their brethren at the larger El Aguila refinery in forming a national oil union, but they were in no position to provide leadership.

The struggle to form the national oil workers union further enhanced the strength of the Tampico refinery unions. Apparently, the idea had begun in Puerto México and enticed a number of small oil-field unions to attempt to form the Sindicato Nacional de la Industria Petrolera y sus Derivados. But the Tampico workers as well as the refinery laborers at Minatitlán viewed this national petroleum union as a provocation. Based on their larger membership and importance to the industry, these refinery unions wanted to be the organizers of a national union—or have none at all.<sup>53</sup> When

the smaller groups of petroleum workers met in Mexico City in July 1935, the refinery unions and their supporting labor organizations from around the country denounced them as “white unions” (company unions) and requested government officials to deny them support.<sup>54</sup> The Sindicato Nacional failed to effect a viable national union of petroleum workers.

Plainly, 1935 was a critical year for cooperation between the large refinery unions within the oil industry. They communicated between Minatitlán, Azcapotzalco, Ciudad Madero, and Mata Redonda, frequently launching sympathy strikes for each other and for the smaller oil-field groups that cooperated with them. Allied unions at Tampico could also be counted on to strike on their behalf, especially the aggressive chauffeurs union, an influential member of the Cámara del Trabajo. Tampico’s Sindicato de Obreros had expanded its membership to several of El Aguila’s oil fields in Northern Veracruz. They had members at Pánuco, Naranjos, the loading terminal at Tuxpan, and the new oil field at Poza Rica. In 1935, numerous strikes broke out within the industry in efforts to equalize pay and benefits between the refineries and the oil fields. Said President Cárdenas of the rash of strikes in the oil and other industries: They were “a simple manifestation of the state of injustice in which certain companies keep the workers.”<sup>55</sup> Later, when the national oil union was formed, however, the president did not view these strikes so tolerantly.

In the meanwhile, the mounting political tension between President Cárdenas and ex-President Calles on the national level had parallels in Mexican industrial cities like Tampico. The Cámara del Trabajo became allied with the left wing of the Mexican Senate and with General Francisco Múgica. The group sponsored “direct action” against the local supporters of the governor of Tamaulipas, who was allied to Portes Gil. Mobs invaded city council chambers and the press rooms of local newspapers. Rumor had it that the Cámara also wanted to purge the leadership of the Unión de Alijadores, Tampico’s oldest union, dating from 1911, by inciting a mob takeover of the dockworkers’ headquarters. The February 1936 parade in support of the Tampico mayor, who had just been dismissed by the governor, provided the occasion. Shots rang out at the end of the parade, and an angry crowd set upon the Alijadores building. The local police and military authorities were either unprepared to intervene or actually favored the Cámara. They did nothing to stop the riot. At the end of the day, three members of the dockworkers’ group had been killed and thirteen injured compared to one killed and four wounded among the attackers.<sup>56</sup>

Once Calles was forced into exile, the plans for the formation of a national petroleum union solidified, with the refinery unions in the forefront. The El Aguila refinery group rechristened itself as Section 1 of the Sindicato de Trabajadores Petroleros de la República Mexicana (STPRM). The Huasteca refinery union became Section 2. Lombardo Toledano, who had just organized the Confederación de Trabajadores de México (CTM), came to court the Tampico labor leaders behind closed doors. Local refinery unions leaders refused to declare their intentions of joining the CTM just yet. Several small petroleum unions still opposed the STPRM. La Corona's workers at Pánuco remained loyal to CROM. The workers at Petro-Mex and Gulf had no unions at all.<sup>57</sup>

The accretion of power by the Tampico refinery workers of El Aguila was not accomplished without producing some disgruntlement, some envy. Representatives of field workers in Tuxpan and Papantla protested their exclusion by Section 1 leaders during talks with the company. Other workers, even at the Tampico refinery itself, disliked being branded "renegades" and being excluded from work contracts because they did not "comulgan con [las] ideas" of the Section 1 leaders.<sup>58</sup> By virtue of the fact that it gathered together the largest conglomeration of workers—6,500 men—El Aguila's refinery union also served as vanguard in the formation of the national petroleum union. National oil union leaders next sought confirmation of their power with an industrywide labor contract.

### **The Struggle for a National Contract**

The 1936 formation of the STPRM, as we have seen, was not the beginning of labor's attempt to control the workplace. This struggle against layoffs and for stability in the lives of the proletarians had been occurring since 1915, if not before. The struggle intensified as a result of the destitution that oil workers suffered during the Depression. Formation of the STPRM, therefore, was but another stage in this struggle. Yet, the formation of one union within the oil industry raised the level of combat from the refineries and oil fields to national and international politics. It did not mean that shop-floor militancy was now over. On the contrary, local struggles for leadership and for the loyalty of workers continued, keeping relentless pressure on national labor leaders and politicians to provide security for workers in the industry. Leaders of the STPRM and the CTM knew that if they did not satisfy the demands

from below, their claim to the power and perquisites at the union helm was worthless. Doubtless, President Cárdenas felt these same pressures.

But the foreigners, even the oilmen, at the time, believed that Mexican labor radicalism started at the top. As a British diplomat in Mexico City cabled during the Cárdenas-Calles showdown, "Present Gov't seem to think that their safest insurance against a return of the Calles régime is to organise labour in their support. The Calles gang, on the other hand, has always sought to embarrass their successors by promoting labour unrest. Labour is thus the tool of contending political groups and encouraged by both to fresh extravagances."<sup>59</sup> As this analysis of the petroleum workers indicates, however, labor militancy originated on the shop floors. Their leaders understood as much.

Mindful that they had to gain a victory to keep the loyalty of their members, the STPRM leaders conferred tirelessly to propose an industrywide collective contract. It demanded a \$30 million peso (approximately \$8.3 million U.S.) wage increase and the equalization of salaries among the eighteen petroleum, terminal, and ship companies whose workers STPRM represented.<sup>60</sup> For the workers, there were to be eighteen holidays (including Day of the Petroleum Worker), ample death and sick benefits, twenty to sixty days of paid vacation, vacation travel, and complete medical insurance. Many of these benefits were to embrace the families as well as the worker. If a man were to quit his job, he would get twenty-five days' pay for each year of work. If laid-off, he would get ninety days' pay plus twenty-five days' credit per each year of service to the company. In all cases, laid-off workers would lose no seniority rights and would receive preference in rehiring.

These and other provisions of the proffered contract provided for extensive labor participation in management. All the obligations and expense of the contract were to be borne by the companies. Much of the power over personnel matters was to be assumed by STPRM leaders. The company would have had to pay for transportation, equipment and uniforms for union musical groups, cars for union leaders, a house for each worker. The companies were to provide schools, libraries, savings funds, and sports clubs to be run by the unions. Union leaders were to confer with company personnel managers in all promotions. They would run the technical schools, supported financially by the companies, that would train Mexican technicians who would replace the foreigners. The companies would pay for the clerical workers in STPRM's own offices as well as deduct union dues automatically from each worker's

paycheck. Moreover, the salaries of STPRM officials were to be paid by the companies.

The contract assaulted the remaining employer privileges in the workplace: the *puestos de confianza* and the right to hire and fire. Confidential positions traditionally lay outside union control altogether. Now STPRM demanded that they be reduced to 110 throughout the entire Mexican oil industry. El Aguila would retain only one confidential position (at the time, it had thirteen) at its Azcapotzalco refinery, that of the general manager.<sup>61</sup> All other supervisory positions would be filled by union men more or less on a strict basis of seniority. Most of all, much of the power to hire and fire workers was removed from the company to the union, the ultimate implication of the exclusionary clause. “Las Compañías se obligan a suspender a los trabajadores que el Sindicato acuerdo disciplinar,” the proposed contract said, “y por todo el tiempo que la disciplina dure: sin que las Compañías tengan que calificar la procedencia o improcedencia de tales disciplinas.”<sup>62</sup> If the abilities to punish and to reward were the twin pillars of social power, then oil union leaders fully expected to wrest that power from the companies. They aimed to do it by means of the proposed industrywide labor contract of 1936.

STRPM delivered the contract to the companies on 3 November 1936 and demanded approval before a November 17 strike deadline. The companies’ response was predictable. “The Union draft contains over 250 clauses, covers 165 pages of legal size script of which almost 40 embrace the wage schedule, and took several months to formulate,” said the companies. “And yet, the companies were to ‘discuss’ and ‘approve’ the document in the peremptory period of ten (10) days.”<sup>63</sup> The smaller firms protested that they could not agree to equalization because they were unable to pay the high salaries that El Aguila and Huasteca were paying their workers. The latter two big companies, on principle, also resisted raising the wages of the highest-paid workers in the country. Although executives and labor leaders alike couched their public utterances in terms of salaries, the pay issue actually was subservient to the issue of worker control.

The proposed contract of 1936 would have eroded capital’s flexibility to compete in the marketplace. Labor’s efforts to unionize even the occasional and part-time workers meant that companies would no longer be able to hire short-term labor for special projects. If they did, they would never be able to let workers go when the job was completed. The 1936 contract also would have signaled the end of contracting

work within the industry. Companies depended upon construction and drilling contractors to perform ad hoc jobs, for which the contracting agency provided its own workers. Moreover, the companies objected to the difficulties they would encounter in firing incompetent or poor workers. A worker was to be discharged only for “grave and infamous” causes, which would be reviewed by a union-management panel. The companies said that, under the 1936 contract, they would have lost all rights to transfer or promote their employees.

Since the companies could not agree to the new contract, an industrywide strike appeared inevitable. Such a strike would have disrupted urban transit, power generation, industrial production, and agricultural harvests throughout the country. It threatened additional labor unrest in other sectors. Therefore, President Cárdenas intervened to convince the workers and employers to discuss the contract while oil workers continued at their posts. The state acted as host and moderator of the dispute. Formal talks between STPRM leaders and the industry’s attorneys were held at the Department of Labor before its *jefe*, Genaro V. Vásquez. The companies too wanted labor stability over a long period of time, but not at the expense of worker control. Moreover, each company needed to approve the final accord. For its part, the STPRM had to deliver a contract that was better than any existing contract or face a dissatisfied rank and file.<sup>64</sup> The hiatus between the positions of the workers and employers seemed insurmountable. Indeed, it was.

The union leaders attending the negotiations soon tired of the nitpicking of company lawyers. “No es la primera vez que no nos hemos podido entender con los Lics. Guerrero y White,” commented one veteran labor leader. “Con los patrones que son los directamente interesados hemos podido ponernos de acuerdo mejor que con ellos. Cada vez que hemos tratado con los patrones hemos llegado a un fin practico.”<sup>65</sup> CTM chief Lombardo Toledano, who was a *licenciado* too, attended the final sessions. He spoke eloquently for the individual worker’s need for security. Lombardo asked that “el trabajador que pierde su empleo tenga siguiera una pequeña cantidad de dinero que le permita buscar fortuna en un país como el nuestro que por desgracia también no abunde el trabajo.”<sup>66</sup> These state-sponsored labor talks broke down at the end of May 1937.

President Cárdenas intervened a second time, after a national oil strike, by getting the unions to accept economic study of the oil companies. As stipulated in the 1931 labor law, the economic investigations would determine whether the companies could

afford the proposed labor contract. Professor Jesús Silva Herzog of UNAM led a team of three experts who made up the Comisión Pericial en el Conflicto de Orden Económico de la Industria Petrolera. During the months of June and July 1937, Silva Herzog collected statistics, testimony, and evidence on taxes, profits, expenses, and wages. The companies told the commission that the labor bill was much higher than the wage hikes indicated. El Aguila calculated the contract would increase its labor costs by \$142.6 million pesos per year.<sup>67</sup> Working under pressure, the commission's study was presented to the public on August 14. It came in the form of recommendations to the Junta Federal de Conciliación y Arbitraje (JFCA), which was to settle the labor dispute that the companies and labor leaders had been unable to negotiate. The JFCA's deliberations continued throughout the remainder of 1937. On March 3, it finally confirmed the commission's findings, giving the workers a \$26.4 million peso pay raise and granting the labor leaders many of their managerial demands. The companies filed an injunction (*amparo*) against the JFCA's ruling, but Mexico's supreme court, having been reconstituted thoroughly during the Cárdenas years, upheld the JFCA ruling on 2 March 1938. In effect, the state was attempting to resolve a conflict that employers and labor leaders could not.

But the companies still refused to abide by the decision. The foreign oilmen had been saying that the union's demand for pay increases and participation in management would bankrupt the already unprofitable Mexico-based companies. "Owing to the present restricted number of supervisory positions," they claimed in December 1937, "the industry is already suffering the consequences of lack of control and discipline."<sup>68</sup> If labor agitation made Mexican oil any more expensive, they warned, it would be undersold in foreign markets by cheaper Venezuelan crudes. The Mexican government, consequently, would lose oil-export revenues. Moreover, the companies did not believe that the Mexicans could run an oil industry themselves. Thus, they laid the challenge before President Cárdenas. He would have to discipline the workers for them. The companies simply refused to operate in Mexico under the labor conditions arranged by the Mexican political system.

Company executives and some foreign diplomats subsequently believed that the ultimate nationalization of the oil industry had been a plot of Cárdenas. He used labor only as a foil, a diversion, and a ruse, they were soon to say. Naturally, the president's motivations remain somewhat enigmatic. As early as 1935, the British ambassador quoted him as musing about the "advantage which would accrue to the

nation through the direct control by the state . . . of some of the basic industries, such as . . . the production of fuel.” A second diplomat quoted Cárdenas, two years later, hinting “that the time is not far off when Mexico will be ripe for the nationalisation of the oil industry.”<sup>69</sup> But was this his long-term goal? Both of these remarks, intended perhaps to reach the ears of oil managers to get them to make an agreement with their workers, had been made by the president during labor strife in the oil fields. Cárdenas may have envisioned oil nationalization as a method of mollifying the demands of the workers.

His actual actions, however, belied a policy of conciliation between the companies and the workers. It had been his idea to force the workers first to enter into direct talks with the employers, next to ask for an economic investigation, then to await a JCFA decision, and finally to wait for the Supreme Court’s resolution of the appeal. Even after the Supreme Court had handed down its judgment, he asked the workers to allow the companies time to agree to this final ruling. Only then did the possibility of an actual nationalization enter his plans. He confided in Múgica that he would have no choice but to expropriate, if the companies resisted the Supreme Court judgment.<sup>70</sup>

One thing should be made clear: Cárdenas did not need to expropriate the industry to uphold Article 27 of the Constitution. In December 1937, Cárdenas and El Aguila signed an agreement, in which the oil company seemed to renounce its private property rights to the new Poza Rica oil field. The British company agreed to “concessionary” status at Poza Rica, paying government royalties amounting to 25 to 35 percent of production. Therefore, one foreign company had tacitly conceded government ownership of its oil property, as stipulated in the Mexican Constitution.<sup>71</sup> Cárdenas expected that the other oil companies, in time, would come round to accept the provisions of the Mexican Constitution. Article 27 of the Constitution, after all, did not mandate the establishment of a state petroleum monopoly—only national ownership of the petroleum deposits. The *constituyentes* had contemplated that the private companies would operate in Mexico under concessionary contracts with the government, much as private individuals had mined the colonial silver deposits, paying a “royalty” to the Crown, which theoretically owed the subsoil wealth. The Poza Rica compromise was just such an agreement. Circumstances dictated that workers, motivated by their own interests, would give another meaning to Article 27.

### **Oil Worker Pressure on the State**

Workers and their leaders had always appealed to the state to attend to their grievances. Oil workers carried these traditions forward into the twentieth century. They corresponded directly with the president, with the appropriate national agencies, and with state and local political factions. They also calculated their strike activity to gain the intervention of the state into their affairs—preferably on their behalf. Political activity became especially critical to the oil workers. They were struggling to preserve for themselves positions of security in an industry notorious for the prerogatives of ownership. Shell and Standard Oil New Jersey, which controlled El Aguila and Huasteca, respectively, were among the largest industrial enterprises in the world. Part of their economic power was due to their ability to adjust production and employment on an international scale. After all, they had to survive in a volatile and competitive world petroleum market. The companies' power did not deter the workers. But it made state intervention so much more critical to the achievement of their goals. If the workers were to gain any security in the industry, they needed strong leaders who could negotiate successfully with politicians. When the government faltered, the workers were capable of prodding them. When their own union leaders faltered, the workers knew how to prod them as well.

From the moment that the national contract was delivered to the companies, the oil workers applied direct, unrelenting pressure on all the parties. The strike was their weapon. As STPRM finished their draft of the proposed contract in November 1936, Tampico's El Aguila workers returned after a twenty-three-day walkout. Their colleagues at the nearby Pierce-Sinclair refinery ended a fifty-six-day strike.<sup>72</sup> Certainly, labor factionalism did not end just because STPRM had entered into national-level negotiations. Labor talks had to be suspended in January 1937 so that Section 1 could deal with the stevedores' unions over who controlled the unloading of oil cargos at Tampico. Then, when employers were reluctant to resume national talks, Section 1 ordered a one-day work stoppage.<sup>73</sup>

The major oil strike in the industry began at the end of June 1937, following the breakdown in the management-labor talks. All companies except for Mexican Gulf and Petro-Mex (which had no unions) had to suspend operations. Oil tankers left Tampico without their usual cargoes of exported petroleum; cargo vessels could not get fuel oil in any of the ports of the Mexican Gulf Coast. Port cities suffered a loss in port fees; the federal government, a loss in customs duties.<sup>74</sup> Within a week, the

strike produced hostilities in Mexico City. Oil workers placed red-and-black strike flags at Petro-Mex depots, because the state company was selling to tourists and private companies. The *taxistas* and truckers were annoyed that the government favored the bus drivers with rationed gasoline. They blocked several major thoroughfares in the city. Finally, Cárdenas intervened directly with labor, getting them to suspend the oil strike after thirteen days, in exchange for an economic investigation of the companies.<sup>75</sup>

The rank-and-file oil workers were miffed about the compromise. They began a series of their own “wildcat strikes,” local uncoordinated shutdowns of short duration. Several members of the STPRM delegation, which had ended the strike at the insistence of President Cárdenas, were voted out of office when they returned to their union locals. Part-time workers at the Cerro Azul oil field of Huasteca accosted four Huasteca officials, two of whom were Mexican. The part-time workers would have been considered full-timers if the company had signed the labor contract. “The workers seem to feel that the union leaders in Mexico did not properly back up their demands,” a U.S. diplomat at Tampico reported, “and that accordingly they have to act for themselves.”<sup>76</sup> These wildcat strikes were intended to force the Comisión Pericial to make a favorable report. From Yucatán, where he was turning over land to *campesinos*, President Cárdenas wired a request for no more wildcat oil strikes.<sup>77</sup> Few petroleum workers paid much attention.

Animosity still existed at the Huasteca refinery and terminal at Mata Redonda. Section 2 struck on a number of occasions in September and October 1937 to obtain its own local contract, in lieu of a national contract. The labor agitation there continued, intermittently in November and December. Several of the renegade work stoppages of December indicated the locals’ frustration at the length of the JFCA’s deliberations. At least, that was the reason why Section 1 threatened a twenty-four-hour *paro* at the Tampico refinery of El Aguila. Cárdenas expressed his displeasure in the nation’s newspapers.<sup>78</sup> The Huasteca company’s hostile response to the JFCA decision which, it thought, was favorable to the workers, provoked additional worker resentment. The Standard Oil affiliate closed twenty-three wells and ordered all the oil stored in the field to be moved to its terminal at Tampico. In his last pay envelope of December 1937, each Huasteca worker got a message saying the company would not be able to comply with the JFCA decision. Subsequently, Section 2 leaders became angered at the Mexican Huasteca managers who were

determined to close down the acid plant at the Mata Redonda refinery. The managers, Borrego and Noyola, previously had shut down the terminal at Tuxpan in 1932. The foreign oilmen concluded that more than ninety unauthorized strikes had plagued the petroleum industry during the last six months of 1937.<sup>79</sup> The positions of the workers and their employers did not seem to leave much room for negotiation.

The oil proletarians of Poza Rica gained the reputation as the biggest troublemakers in the entire petroleum industry. Much of the grass-roots militancy at Poza Rica stemmed from problems connected to *radio de acción*. El Aguila's new, expanding oil field during the 1930s did not suffer, like most other oil workplaces, a deterioration in the number of workers. But even in expansion, workers competed against each other for rights to work, and their organizations, for rights to represent. In expanding its work force here in the early 1930s, the British company had sent out experienced workers from Tampico. Therefore, the Sindicato de Trabajadores, later Section 1, from El Aguila's Tampico refinery claimed first jurisdiction over Poza Rica. Prior residents of the area felt slighted, thinking that they ought to have gotten the jobs. Thus, the Sindicato de Obreros y Jornaleros de la Zona Petrolera de los ex-Cantones de Tuxpan y Papantla said it spoke for 5,600 *Veracruzanos* who resented the invasion of the Tampico union.<sup>80</sup>

Moreover, Section 1 used its privileges under its collective contract won at Tampico to control who was hired. It rejected a Mexican technician that the company had sent to engineering school because the man came from the Minatitlán refinery. Section 1 had gained enormous power in controlling Poza Rica workers. A strike here was felt in Mexico City, supplied via pipeline from Poza Rica, and the capital had only ten days' worth of fuel in storage at any one time.<sup>81</sup> The nation—and government officials—could withstand prolonged oil strikes anywhere else but Poza Rica.

These oil-field unionists found their opportunity to break away from Section 1 following the June strike, when the rank-and-file anger at the economic investigation undermined some STPRM leaders. By July, Poza Rica had its own STPRM representation, Section 30, which defied the government as well as the central committee of the national oil union. It shut down the flow of oil to Mexico City with wildcat strikes throughout the summer and fall. Other companies and other facilities attempted to make up the shortfall in supplies at the capital, but transportation and industrial slowdowns occurred, as did speculation in fuel

supplies.<sup>82</sup> So great was the grass-roots concern for job stability that the contract ending the dispute in early September took pains to name workers to specific posts and at specified wages. Nevertheless, not everyone was satisfied. When additional walkouts at Poza Rica exasperated him, Cárdenas once again felt compelled to criticize the “lack of discipline” of the oil unions. He suggested that they may be working for “capitalist interests,” inasmuch as their tactics were turning the country against the labor movement.<sup>83</sup> The Poza Rica workers came in off the picket lines, not because their president had requested it in the national interest, but because the company agreed to pay 75 percent of the workers’ salary during the strike and 25,000 pesos (\$7,000 U.S.) to the union.<sup>84</sup>

A brief review of the minutes of the Section 30’s assemblies for the months leading up to the oil expropriation reveal what did and what did not motivate the rank and file at Poza Rica. There was no discussion at all of the companies’ defiance of the JFCA and Supreme Court rulings. There were no denunciations of foreign imperialism or demands for the nationalization of the industry. Workers at the oil fields concerned themselves with *radio de acción*. They discussed agreements with affiliate unions over who obtained the rights to work in the outlying fields. They argued over whether a contract should be let to J. Heflye for road building. Questions of union membership for individuals were also discussed, sometimes heatedly if there was a hint that the new worker had once collaborated with management. They sometimes defied STPRM’s national leadership on these issues. And they also discussed what happened to three months’ worth of union dues that had disappeared from the treasury. At one point the secretary recorded: “El compañero Domingo hace uso de la palabra diciendo que el dinero es el mismo lfo de siempre, que no se sabe nunca en realidad cuanto hay en caja ni cuanto se debe.”<sup>85</sup> But the Poza Rica rank-and-file did not express any opinions whatsoever about the expropriation of the industry in which they worked. And yet, their relentless pressure on their own union leaders led to just that outcome.

The direct demands that the men in the oil refineries and fields placed on the labor leadership explain why the STPRM, in February and March of 1938, refused to meet the companies halfway. The STPRM ignored an offer by the oil companies to raise salaries by a total of 23.5 million pesos rather than 26.4 million pesos as stipulated by the JFCA decision. It represented a 100 percent raise in the company’s offer of the year before. They also prevented the government from compromising on the

labor contract. At the second CTM congress in February 1938, the STPRM delegation suggested that all five thousand delegates call on the president of the Supreme Court to request that the justices hasten their final decision.<sup>86</sup>

Given their activism right up to the last moment, the oil unions were not mere bystanders at the expropriation itself. They participated actively. When the companies disclosed that they could not obey the Supreme Court decision, the STPRM called for a strike to begin at midnight on 18 March 1938. It announced a day of protest against the foreign oil companies for March 23, the CTM promising to sponsor a giant demonstration on the Zocalo. The workers themselves anticipated their leaders. They seized control of the El Aguila loading terminal at Tampico and shut down the Huasteca pipelines days before the strike was supposed to have begun.<sup>87</sup> One might wonder what labor unrest might have occurred if Cárdenas had not nationalized the oil industry on March 18, hours before the strike deadline. Workers thereupon seized the rest of the oil facilities throughout the nation: gas stations, distribution depots, tugboats, barges, trucks, refineries, wells, pipelines, company offices, and payrolls. Foreigners and Mexicans who had held *puestos de confianza* were dismissed, and union locals appointed their own officials to supervisory positions. The transition was particularly vindictive at the Huasteca facilities. Managers fled the oil fields under threats to their lives. For several days, Section 2 leaders detained the Mexican officials of the company, Borrego and Noyola, until national labor leaders arrived to negotiate their release.<sup>88</sup> In the meantime, the CTM turned its March 23 protest into organized labor's celebration of itself.

The enthusiasm with which most oil workers welcomed the expropriation cannot be diminished by the fact that they never did obtain their wage increases. The activities of workers at the refineries and oil fields following the Depression of 1930 show that the level of wages, although important, may have been secondarily so to most oil workers. First and foremost, the individual who lent his services to the oil industry wanted a steady job. He wanted to leave at his own choosing—not the company's.

Several conditions of industrial employment threatened worker security. In the first place, the company's personnel managers controlled who was hired, who was fired, and who was promoted. They made their determinations based on ability and, perhaps, tractability. Yet, the reservation of the topmost management jobs for foreigners placed a ceiling on how far the most capable and hardest-working Mexican

could rise. Second, the employers based their personnel decisions on impersonal market conditions. When prices of petroleum softened because of falling demand or rising supply on a world scale, the companies sought to remain competitive by cutting back on labor expenses. They consolidated, closed down facilities, added labor-saving technologies, and laid off hundreds of workers. Third, and finally, the competition for jobs in the 1930s was keen. Working in the petroleum industry conferred prestige and superior material benefits on the individual. The oil worker, as a labor aristocrat, wished to control the competition for his envied position. The Depression made manifest that many a bumpkin just off the *ejido* would very much like his job. As long as the companies controlled access to the workplace, the Mexican oil laborer could never be sure that his skill and experience would guarantee him a place in the industry. These were the reasons why some of the most privileged workers in Mexico became militant union organizers in the 1930s. Deterioration of the foreign-owned Mexican oil industry had produced the very antithesis of security for the proletarians. Nearly thirty-five thousand jobs were lost between 1921 and 1935.

Their struggle, however, most often pitted members of the working class against each other. Why? Workers wanted to control the competitive labor market as much as possible, at the same time that they strove to effect guarantees that the disastrous layoffs would not occur again. To accomplish these two objectives, they reconstituted their unions, making them stronger and more able to confront the companies. The internecine fights amounted to a process of natural selection. Those unions emerging from the strife of 1934 and 1935 proved exceptionally combative. Their leaders were tough-minded and bold. The struggle for the closed shop met part of the agenda of the rank-and-file workers. But it did not fulfill all of the workers' criteria for security. As long as the companies retained control of personnel matters, the workers could not be certain that their gains might not be reversed. The same uncertainty held true if a few pockets of employer privilege remained in the form of nonunionized companies and of some unions having no exclusionary clause. The remedy was a collective contract severely limiting employer prerogatives. For security, therefore, the worker was counting on his union. It was certainly more tangible and familiar to him than the distant and unpredictable world economy. Neither could the state—nor the Constitution of 1917, nor the 1931 labor law, nor

Cárdenas himself—deliver the security that an industrywide union could. Therefore, the workers made the STPRM, from the ground up, so to speak.

In the interim, however, the struggle engendered two inevitable and familiar characteristics: powerful middle-level labor bosses and a politicized labor movement. How can one explain these phenomena, both of which then and since have rendered the individual worker sometimes vulnerable to abuse and manipulation? The worker needed a powerful, intrepid leader who could manage the intense competition for jobs. He also had to be capable of negotiating assistance from politicians, the better to confront recalcitrant employers. If that labor boss dipped his hand into union funds, well, that was the same old mess as always. The worker was substituting a familiar, hopefully benign, tyranny of a Mexican *cacique* for the impersonal tyranny of an international capitalist marketplace that had proven itself—so far as the laborer was concerned—remarkably unreliable.

The worker also sought assistance from the state and from those competing for power to control the state. Mexicans had established a strong tradition of seeking redress of grievances from a political arbitrator—the village head, the *jefe político*, the state governor, and the president himself. The presence of powerful foreign employers might have reinforced this political imperative in modern Mexico. There were few alternatives to a strong labor-state alliance if workers were to match the power of a foreign employer loathe to give them guarantees. The abuse of labor *caciques* and the manipulation by politicians were nothing new to the worker—but at least they were Mexican. And workers had helped get rid of bad labor leaders and politicians before.

For its part, the state under Cárdenas promoted labor unity, consistent with its policy of balancing the “antagonistic interests” of capital and labor. The *Cardenista* state conceived of all workers being organized into large industrial unions partly as a means to providing social peace in the industrial world. Cárdenas himself tolerated strikes when workers were organizing their unions. But once unions were formed, Cárdenas also expected that labor strife would end, as evidenced in his condemnation of the wildcat oil strikes. The state obviously viewed the labor union as a form of social discipline. The worker viewed it as a form of social security.

Given these perspectives, was the Mexican oil expropriation inevitable? Perhaps it was in the long run, but the state did not necessarily need to create a national oil company in 1938 to achieve social discipline. Likewise, the workers did not demand

it. Both parties seemed to act on the belief that the proposed collective contract of 1936 sufficed to provide security and discipline. Aside from what analysts have said about sovereignty and economic emancipation, the Mexican oil expropriation came about as a historical quirk. The international oil interests had already passed on to Venezuela and were soon to enter the Middle East. Under these circumstances, the petroleum companies did not think the Mexican petroleum industry was worth the compromise of its traditional employer prerogatives. Mexican oil workers thought otherwise, and the rest, as they say, is history.

## Notes

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