

FM CAN TAKE LESSON FROM MEXICO'S CARDENAS

There is a President's biography that President Marcos ought to be reading these days. It is the story of President Lazaro Cardenas of Mexico. Cardenas was the Mexican President who, on March 18, 1938, seized and expropriated 17 oil companies, all of them alien-owned, that were operating in his country.

He nationalized the companies after they had refused to abide by a decision of the Mexican Supreme Court ordering them to pay increased wages and extend additional social benefits to their Mexican employes and workers. The decision would have meant increased costs of only \$91,000 a month spread out among all the 17 companies, which had been making enormous profits. The companies thought, however, that all they had to do was talk

tough and Cardenas would capitulate. He didn't. He expropriated them instead.

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"It is the sovereignty of the nation which is thwarted," President Cardenas explained, "through the maneuvers of foreign capitalists who, forgetting that they have formed themselves into Mexican companies, now attempt to elude the mandates and avoid the obligations placed upon them by the authorities of this country. The attitude of the oil companies is premeditated, and their decision has been too deliberately thought out to permit the government to resort to any means less severe" (than expropriation). He then called upon his people to "furnish such moral and physical support" as would be needed to face the grim days ahead.

Not merely the oil companies and a wide sector of official and private opinion in the US, of course, but even some Mexicans themselves (just as not a few Filipinos would have reacted in this country) felt that Cardenas had only succeeded in digging his own grave. "Most American residents in Mexico," one account recalls, "were certain that Mexico's doughty leader had gone too far. He would never be able to run his country without foreign aid. (Familiar?) The oil companies would whip him if they could just get a little cooperation from Washington. They would starve him into submission. They would make it impossible for him to continue his reconstruction projects.

"They would tug so hard at the purse-strings of the nation that there would be no money to pay government employes, and then Cardenas, in spite of all his patriotic appeals, would have trouble in his own household. Dissatisfaction in the ranks of his supporters could be fanned into a flame by clever propaganda. Eventually, Cardenas

could be overthrown and people would return to a sane realization of the necessity of running Mexico in harmony with foreign interests."

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The more outraged Americans were clamoring that the Marines be sent into Mexico to deal with the impudent Mexican President. According to the same account, "Cardenas stated privately what would have been done if Washington had sent down an army to take back the oil fields. The Mexicans would have seen to it that there was nothing left worth taking. Every derrick would have been burned down, every well dynamited, and all the tanks and refineries blown to bits. Mexico would have sacrificed her oil before her self-respect."

The Marines never came, however. Instead the US government began to put the squeeze on Mr. Cardenas and his government through economic reprisals. US purchases of Mexican silver at premium prices were halted. A boycott was clamped on the products of the newly-nationalized oil fields. Although he

never ceased protesting his continued friendship for the US and his desire to agree on a reimbursement price to be paid to the oil companies, President Cardenas refused to be fazed or intimidated. He sold his oil to the Axis powers (just as all other countries, including the then still uninvolved US, were selling to them), and developed the South American region as a substitute market for the US.

By the end of 1939, President Cardenas could report to his people that the nationalized oil industry, instead of collapsing as his enemies and detractors had predicted, had brought in 23 new wells, increased domestic sales from ₱153-million to ₱172-million, exported ₱110-million to other countries, and spent many millions of pesos more in improving the lot of the laborers. Thirteen years after expropriation, during the year 1953 alone, 133 new wells had been brought into production, several new pipelines had been installed, 18 tankers were hauling products over the ocean lanes, more schools and medical

services had been instituted for the oil workers, sales had mounted to \$1,619,660,510, and government profits amounted to \$429,915,00.

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It was during the administration of Cardenas' successor, President Avila Camacho, that agreement was finally reached on a reimbursement payment of \$40 million (against the \$400 million that the oil companies had said their properties were worth). What did Cardenas himself think of the value of the oil firms' investments in his country? He had said: "It has been stated ad nauseam that the petroleum industry has brought into this country enormous capital for its development. This assertion is an exaggeration. The oil companies have enjoyed for many years, during most of their existence, in fact, great privileges for their development and expansion; they have been granted customs rebates, fiscal exemptions, and numberless other prerogatives, and their privileges joined to the gigantic potentialities of the oil fields granted to them by the nation oftentimes against the

will of the latter and in violation of the country's laws, make up almost the whole of the actual capital so often talked about."

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The Cardenas story is one of the most stirring and inspiring chapters in the long history of the struggle of "weaker" peoples to uphold their dignity and assert their economic independence. It may even inspire President

Marcos, who is being called upon, after all, not to expropriate any alien firms in this country but simply to seize and take advantage of the opportunity opened to him to help his people take over the channels of retailing and merchandising in their own homeland. If their own President won't help the Filipinos, who also will? — *By J. V. Cruz, in the Manila Times, December 28, 1966.*

AN ABSENT-MINDED PROFESSOR

The biology professor turned to his class and said:

"Now, it is time to dissect a frog." He groped a hand through his pockets and came up with a very wrinkled and rather crumpled cheese sandwich.

"My goodness!" he cried. "No wonder my lunch tasted so funny this noon!"