

THE AGRARIAN DISPUTE



The Expropriation of American-Owned Rural Land
in Postrevolutionary Mexico

JOHN J. DWYER

THE AGRARIAN DISPUTE

AMERICAN ENCOUNTERS / GLOBAL INTERACTIONS

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OF AMERICAN-OWNED
RURAL LAND IN
POSTREVOLUTIONARY MEXICO

John J. Dwyer

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For Alice,

All the words that follow this page pale in comparison
to those written here.

I love you with all my heart and soul.

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Introduction

THE INTERPLAY BETWEEN DOMESTIC AFFAIRS AND FOREIGN RELATIONS

The trend of United States–Mexican relations today is predicated principally upon the course of Mexico’s internal development.

U.S. STATE DEPARTMENT REPORT OF THE DIVISION OF THE AMERICAN
REPUBLICS, DECEMBER 29, 1937

An intimate relationship exists between our foreign policy and the efforts that Mexico makes toward forwarding its social reforms.

MEXICO’S DEPUTY FOREIGN MINISTER RAMÓN BETETA, JANUARY 4, 1940

Land and Liberty” and “Mexico for the Mexicans” were among the most popular slogans of the Mexican Revolution between 1910 and 1920. These rallying cries made agrarian reform and economic nationalism prominent features of twentieth-century Mexican politics. However, it was only through the expropriation of American-owned rural property in postrevolutionary Mexico that both of these important issues coalesced. Between January 1927 and October 1940, 319 individual and corporate American property owners lost approximately 6.2 million acres to Mexico’s land redistribution program (see map 1).¹ When President Lázaro Cárdenas’s administration expropriated most of this property in the mid- to late 1930s, it sparked a serious bilateral conflict that I have termed “the agrarian dispute.” This crisis severely strained diplomatic relations, due to the fact that hundreds of American-owned properties below the border were seized without compensation. Although the agrarian dispute did not end until late 1941, it marked a turning point in U.S.-Mexican relations. In the course of the conflict, Franklin Roosevelt’s government abandoned a



MAP 1. Breakdown, by state, of the 319 American-owned rural properties expropriated in Mexico between January 1, 1927, and October 6, 1940. SOURCE: COMMISSIONER LAWSON'S REPORT, ANNEX 2, RG 76, U.S. SECTION AGRARIAN CLAIMS COMMISSION, LAWSON CORRESPONDENCE, 1938–43, VOL. 1–3, ENTRY 203, NAW; DEPARTMENT OF STATE, *AMERICAN MEXICAN CLAIMS COMMISSION*, 475–651.

century-long tradition of heavy-handed U.S. policies against Mexico and instead accommodated its southern neighbor.

Cárdenas's attack on American holdings in the Mexican countryside can be traced back to the 1910s and the Mexican Revolution. In certain respects, the revolution increased Mexico's autonomy vis-à-vis the United States by making the country's political elite ardent nationalists. This is not to suggest that the revolution created Mexican nationalism; rather, it impelled Mexican leaders to fight for their country's national interests, even if it meant challenging more-powerful nations like the United States. Francisco "Pancho" Villa, along with Presidents Venustiano Carranza, Álvaro Obregón, Plutarco Elías Calles, Lázaro Cárdenas, and Manuel Ávila Camacho each confronted the Colossus of the North—though some with greater success than others. From the revolution until the mid-1980s, Mexico's leadership tried to protect the country against the type of foreign economic and political penetration that had marked the dictatorship of Porfirio Díaz between 1876 and 1911. And, from the 1920s onward, they were able to maintain Mexican sovereignty to a much greater degree than had been the case in the nineteenth and early twentieth centuries, when on

separate occasions the country was attacked and occupied by U.S. and European military forces.

While the impact of the revolution on U.S.-Mexican relations is widely recognized, there is some disagreement as to when the new era in bilateral affairs began. Since Washington used both military intervention and non-recognition against Mexico between 1914 and 1923, most scholars see the even-handed U.S. response to Cárdenas's nationalization of American-owned oil properties in 1938 as a watershed. Linda Hall, on the other hand, argues that Cárdenas's nationalistic policies were successful only because in the early 1920s Obregón had "set the stage for a confrontation with the United States."² However, since the United States imposed hard-line policies against Mexico to protect American investments from expropriation—as seen with Washington's nonrecognition of Obregón's government between 1920 and 1923—it appears that a new and more respectful Mexican policy had yet to be enacted by Washington at that point.

Alan Knight also plays down the significance of the 1938 oil nationalization, arguing instead that 1927 was the "turning point" in U.S.-Mexican relations, since Washington's "renunciation of war" that year led to "a more routine form of coexistence."³ That year the Calles administration passed new agrarian and petroleum legislation that seriously threatened American landowners and oil companies operating in Mexico. To protect U.S. economic interests below the Rio Grande, some U.S. officials called for severing diplomatic relations with Mexico City, while others advocated lifting the arms embargo or using force. Plans for a U.S. military attack against Mexico were, in fact, drawn up. Although Washington did not employ any of these high-handed policies, in part because Mexico's new nationalistic laws were never fully enforced, U.S. officials still considered such aggressive measures as part of their repertoire toward Mexico, strong evidence that little had changed bilaterally. Moreover, had the Calles government extensively expropriated U.S. economic interests, President Calvin Coolidge, Secretary of State Frank Kellogg, and U.S. Ambassador James Sheffield—all of whom believed that Washington was obligated to protect U.S. business interests abroad and use force if necessary—probably would have responded with aggression. In short, because U.S. economic interests were not widely expropriated before 1935, it is difficult to say anything definitive about Washington's renunciation of intervention and the start of a new relationship before then.⁴

In mid-1938, on the other hand, it was clear to both sides that a new era in



FIGURE 1. The agrarian dispute between the two countries stemmed from Mexico's seizure of American-owned land, which is portrayed in Elderman's cartoon by a Mexican hand pulling on Uncle Sam's beard. © 1938, *THE WASHINGTON POST*. REPRINTED WITH PERMISSION.

bilateral affairs had begun. Even though Cárdenas's administration had expropriated a number of very valuable American-owned agricultural and industrial properties, Washington did not respond to this show of Mexican economic nationalism with the sort of hard-line policies that had characterized earlier decades. President Roosevelt maintained that the United States would not forcefully intervene in the internal affairs of a foreign country to protect American citizens or their property. Below the Rio Grande, this meant that U.S. economic interests had to obey the sovereign laws of Mexico.

Unlike most scholars of U.S.-Mexican relations, I do not credit Cárdenas's nationalization of the petroleum industry, and the resultant bilateral oil crisis, for initiating this new diplomatic era. Instead, I hold that it was the agrarian

dispute, which began in 1935, that was the first test of Roosevelt's Good Neighbor policy in Mexico and that marked an important watershed in U.S.-Mexican relations. By the time the foreign-owned petroleum companies were nationalized in March 1938, a precedent for Washington's accommodationist policy toward Mexican economic nationalism had already been set as a result of the prior expropriations of hundreds of American-owned estates by Cárdenas's administration. When the oil fields were seized, the response of the Roosevelt administration mirrored its evenhanded approach in the preceding conflict over land—in which the White House had simply called on Mexico City to provide adequate compensation to the affected rural property owners. Besides noting the precedents that were set during the agrarian dispute, I question the argument, put forth in much of the oil-crisis literature, that Washington yielded to Cardenista economic nationalism because of the pressures exerted by the looming wars in Europe and Asia.⁵ Instead of emphasizing World War II, I will show that domestic economic and political constraints, which largely stemmed from the Great Depression, were decisive in the U.S. decision to accommodate Cárdenas's government.

I also emphasize how Mexican officials outmaneuvered their U.S. counterparts, which helps explain why the agrarian conflict ended so favorably for Mexico. Many authors who study the oil crisis fail to analyze Mexican diplomatic tactics because of their focus on the security concerns of U.S. policymakers. Due to the asymmetrical nature of bilateral relations, Mexican officials employed what could be termed the diplomatic "weapons of the weak" to resolve the land conflict in their favor.⁶ In borrowing a phrase used to describe peasant agency, I do not mean to imply that James Scott's influential idea of everyday forms of resistance or Antonio Gramsci's notion of hegemony—a shared symbolic system that elites deploy and popular groups draw upon as part of the negotiation of rule—can be strictly applied to the relationship between U.S. and Mexican officials. Although policymakers in the Roosevelt and Cárdenas administrations had similar reformist agendas designed to assist the lower classes of their respective countries, U.S. and Mexican diplomats were not part of the same cultural system and therefore were not bound by a shared symbolism that Mexican policymakers could exploit to their advantage. Rather, I borrow Scott's idea to point out the similar tactics (foot-dragging, obfuscation, noncompliance) that are employed by weaker actors in a relationship marked by an unequal distribution of power (peasants versus landlords for Scott, and Mexican versus U.S. officials here). Hence, applying subaltern concepts to Mexi-

can foreign policymaking suggests a more nuanced way to look at international affairs, forcing us to rethink how a weak state can counter an asymmetrical power structure and advance its interests against a more powerful one through well-planned and everyday forms of resistance and accommodation.

While it is vital to show how Mexican diplomatic strategies paid real dividends in their negotiations with Washington during the agrarian dispute, it is equally important to clarify the rationale behind Mexico City's foreign policy. Although scholars of U.S.–Latin American relations have demonstrated the primacy of domestic issues in shaping U.S. diplomacy, until recently few have examined fully the parallel role of domestic forces in Latin American policy-making. Ironically, although the Depression compelled FDR's government to accommodate Mexico over the expropriation of American-owned land, similar economic and political constraints led Cárdenas's administration in the opposite direction and pressed Mexico City to challenge Washington.

Since this book focuses on the fate of U.S. economic interests in Mexico's rural sector, it also addresses an ongoing debate regarding the degree to which the Mexican Revolution and the postrevolutionary era were characterized by nationalistic, antiforeign, and anti-American sentiment. Alan Knight sees little anti-Americanism during the military phase, while John Mason Hart underscores it as a major cause of the revolution and a motive for lower-class participation. Knight similarly plays down the anti-Americanism of Mexican officials during the postrevolutionary era, while Hart emphasizes it.⁷ If we compare the loss of American-owned land in Sonora and Baja California—the two states analyzed in this case study—we see that both Knight and Hart make valid arguments. Consequently, what matters most to this debate is when and where researchers look.

In Sonora, American-owned agricultural properties located in the Yaqui Valley were expropriated for reasons that had little to do with the citizenship of the owners. Since a majority of Sonora's rural labor force lived in the southern Yaqui and Mayo River Valleys, these areas were targeted for land redistribution mostly for the political benefits that they would bring to the Cardenistas (supporters of President Cárdenas). Dozens of American and Mexican landowners lost their holdings because they were caught in the middle of a political conflict that pitted progressive federal officials against conservative state leaders. Had most or all of the agricultural lands in the Yaqui Valley been Mexican owned (as was the case in the Mayo Valley), Cárdenas still would have carried out the expropriations (as he did in the Mayo region). The Mayo counter case

thus belies anti-Americanism and economic nationalism as root causes in the expropriation.

In Baja California's Mexicali Valley, in contrast, economic and cultural nationalism were, in fact, driving forces behind Cárdenas's expropriation of half of the 850,000 acre estate owned by the Los Angeles-based Colorado River Land Company (CRLC). Besides coveting the company's holdings for their economic potential, government officials and leading intellectuals resented the Americanization of the peninsula's border region and wanted to Mexicanize it. Likewise, many rural workers disliked CRLC and were equally antagonistic toward the thousands of Asians who worked locally. In addition to the 412,000 acres expropriated from CRLC, nearly a dozen other American property owners in the Mexicali Valley lost almost 40,000 acres of land during Cárdenas's term in office. Meanwhile, Mexican-owned holdings located in the valley were barely touched.⁸ Thus, the situation in northern Baja California was the opposite of southern Sonora. Had CRLC's owners been Mexican nationals rather than Americans, and had the company's lands been worked solely by Mexicans rather than Asian immigrants, there would have been no need to Mexicanize the territory or divide the company's land outside of responding to peasant economic discontent.

As the two case studies show, some American rural holdings were expropriated due to the politics of agrarian reform, while other seizures were motivated by nationalism, xenophobia, and anti-Americanism. Just as there were "many Mexicos" during the revolution and "many Cardenismos" in the 1930s, during the postrevolutionary era there were many land reforms, and Americans were treated in correspondingly different ways.⁹ Hundreds of Americans lost property throughout rural Mexico, and it would be unwise to make broad generalizations about the role of anti-Americanism in these expropriations without examining a large cross-section of the cases. Furthermore, because many American estates were among the best-developed lands in the country, we must question whether any particular example of anti-Americanism—as enunciated by peasants and presidents alike—was genuine or simply nationalistic posturing used to gain control of a valuable property.

While my arguments pertaining to U.S.-Mexican relations and anti-Americanism in the late 1930s and early 1940s will challenge much of the conventional wisdom, they are not the only scholarly contributions that this book seeks to make. In fact, most of its chapters touch on a variety of historiographical debates, some of which stretch back to the postrevolutionary era

itself. For instance, as most of the book will hopefully demonstrate, the Mexican state under Cárdenas was not a capitalist “Leviathan,” as revisionist historians have posited, that crushed or co-opted all that stood in its way.¹⁰ Cárdenas was, at times, a powerful president, as illustrated by his ability to expel former president Calles from the country, easily quash Saturnino Cedillo’s 1938 rebellion, and replace a handful of opposition governors. However, he also proved to be a weak chief executive who lacked full federal control over all of Mexico’s regions, could not impose his lieutenants in each state, and frequently yielded to other powerful interests, both elite and subaltern, in order to maintain his authority.¹¹

In line with the postrevisionist literature that questions the strength of Cárdenas’s government and the efficacy of his state-building project, chapters 2 through 5 illustrate how Cardenismo both empowered and restrained subaltern groups.¹² These chapters also demonstrate that Cárdenas’s agrarian policies varied from region to region. On some occasions they were shaped by political considerations (seeking to weaken the Callista opposition, for example, and strengthen his working-class base). At other times economic goals were paramount (redistributing wealth and putting more land under cultivation). Social concerns, meanwhile, almost always figured into his rural policies (such as the goal of remolding agricultural workers into modern and efficient laborers through paternalistic reforms). In addition, cultural factors were sometimes part of the equation (such as using agrarian reform to promote either *indigenismo* or *mestizaje*).¹³ Lastly, nationalism at times drove Cárdenas’s agrarian reform program (as seen in the redistribution of foreign-owned land to Mexican nationals). Hence, it is safe to say that no one issue alone shaped Cárdenas’s rural policy; rather, a series of interrelated forces shaped it.

Chapters 2 and 4 will show that—contrary to most structuralist interpretations of the peasantry and in harmony with much of today’s postrevisionist scholarship—Mexico’s *campesinos* (peasants) were not passive victims of either the rural elite or a powerful central state.¹⁴ Rather, as events in the Mexicali Valley will show, landless rural workers and smallholders—who often had very different agendas—resisted the Cardenista state and forced it to alter the local application of federal agrarian policy in their favor. In the Yaqui Valley, on the other hand, landless fieldworkers did not contest the federal government but instead sought its assistance in their fight against the landed elite. To achieve their goals, the Mexican peasantry in Baja California and Sonora did not rely very much on “everyday forms of resistance.”¹⁵ Instead, they were active agents

who shaped their own history through overt and sometimes illegal acts. While most agraristas (activists in the agrarian reform movement) fought for land redistribution to advance their class-based interests and obtain modern material items that would improve their living and working conditions, for the majority of Yaqui Indians, their quest for land was driven primarily by cultural considerations that largely stemmed from their religious beliefs.

Although the book's various arguments concerning bilateral relations, Cárdenas's presidency, and peasant agency challenge certain scholarly interpretations and support others, none of them alone mark this study's most important theoretical or historiographical contribution. Rather, the book's main intention is to explain how they all tie together, and it is in this context that a study of the U.S.-Mexican agrarian dispute proves its scholarly worth. The bilateral conflict over land highlights the intricate relationship that exists between domestic and international affairs—one that is multidirectional and comprised of various actors of different social standings. Too often scholars separate the foreign and the domestic, as if each exists in a vacuum. In reality, though, they are closely intertwined (see figure 2). According to Enrique Ochoa, "Most studies on postrevolutionary Mexico have not fully demonstrated how complex forces, both internal and external, have coalesced to initiate, shape, and alter policies over time."¹⁶ In Mexico, for example, landless peasants started and perpetuated the agrarian conflict between the two countries whenever they petitioned for, squatted upon, or invaded American-owned land. Unlike most of the oil-crisis literature, which provides little insight into the lives of the individual petroleum workers who instigated the international imbroglio, this book tries to be inclusive by giving a voice to those who fought for and then obtained American agricultural holdings south of the border.¹⁷

As such, I hope to revise our understanding of the mid- to late 1930s by illustrating how local grassroots movements in rural Mexico influenced bilateral affairs. In most studies on U.S.-Mexican relations, as Daniel Nugent rightly noted, "the peasantry and urban and rural workers figure, when they figure at all, as a *subjected* population, the passive recipients of power."¹⁸ However, as this investigation seeks to demonstrate, peasant agency influenced the local application of Cárdenas's agrarian reform program, his regional state-building projects, and his relations with the United States. Agrarista mobilization had a ripple effect that made itself felt both domestically and internationally. Elizabeth Ferry's recent work on silver mining in Mexico similarly links worker agency within the Santa Fe Cooperative to local, national, and global develop-



FIGURE 2. Despite the fact that the cartoon stereotypes the Mexican character in a negative light (e.g., barefoot, with a very large sombrero, and oblivious of the trouble he is in), the cartoonist C. Dunning rightly notes how Mexican domestic affairs (in this case peasant and labor unrest that resulted in the expropriation of American-owned property) leads to international complications for Mexico. *Brooklyn Daily Eagle*, ca. late 1930s. REPRINTED WITH PERMISSION FROM THE BROOKLYN COLLECTION, BROOKLYN PUBLIC LIBRARY.

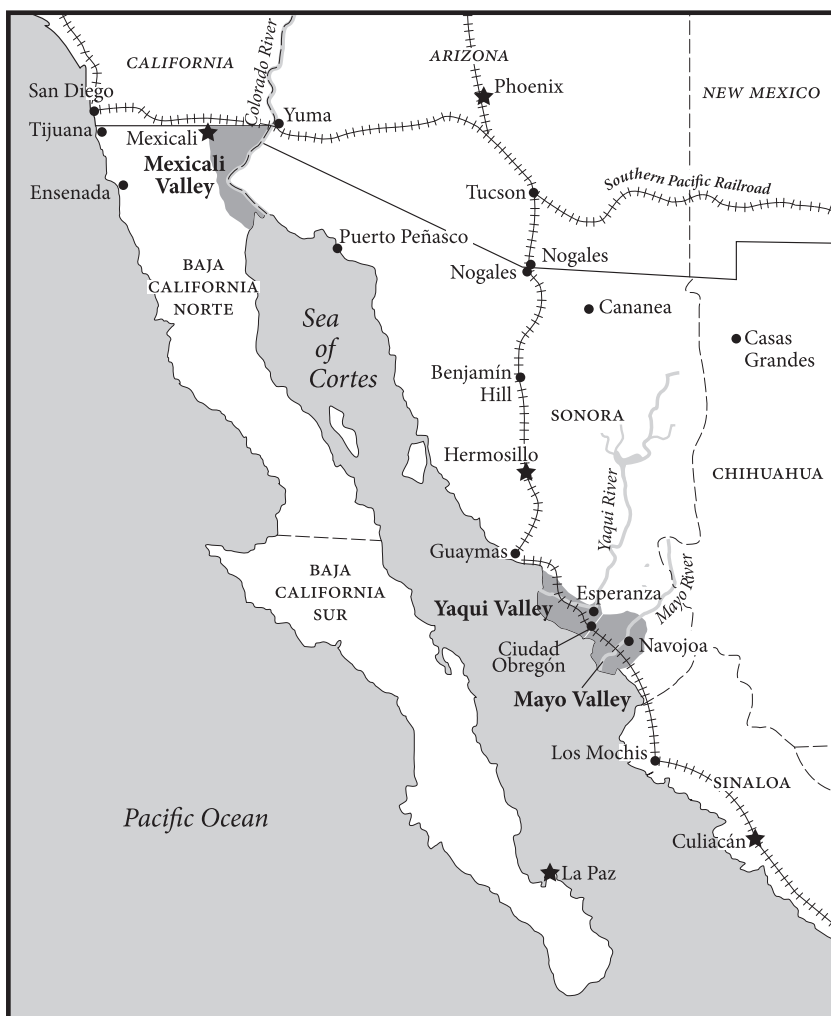
ments within the mining sector. The far-reaching impact of mobilized Mexican peasants and workers, as seen in this and Ferry's study, was not unique. Steve Striffler's research on Ecuador's banana industry similarly shows that peasants and rural workers, through their local struggles over land and labor relations, shaped broader economic and political processes at the regional, national, and international levels.¹⁹

In addition to examining the role played by *los de abajo* (those from below) in the agrarian dispute, I also focus on the parts played by the U.S. and Mexican political elite. Peasant issues gained traction in late-1930s Mexico only because

Cárdenas's domestic agenda, which was based on broad socioeconomic reforms, promoted them. Consequently, Cardenista officials at the local, state, and federal levels were equally responsible for instigating the bilateral conflict with the United States. As previously noted, domestic economic and political considerations determined how both the Cárdenas and Roosevelt administrations handled the crisis after it began in late 1935. Besides illustrating how domestic issues influenced international relations, I also demonstrate how foreign affairs impacted domestic developments both regionally and nationally, as will be seen in the delayed redistribution of land in Sonora and the denial of compensation to Mexican property owners throughout the country. By emphasizing how local forces and actors shape regional, national, and international events, and vice versa, I wish to remain sensitive to the complex web of interconnections that shape the historical past. In other words, I hope to provide a fuller understanding of postrevolutionary Mexico by analyzing the interplay between domestic and foreign affairs. By decentering the analysis and focusing on peasant mobilization in the Mexican countryside, and then recentering it on the domestic and foreign policymakers in Mexico City and Washington, we will see that distinct actors in each country not only played an important role in precipitating and later resolving the agrarian dispute, but also in recasting bilateral affairs during this volatile era. Hence, the United States did not unilaterally determine either the outcome of the crisis or the new orientation of U.S.-Mexican relations. Furthermore, by elucidating how the domestic and foreign together make the intricate whole, I hope to reconsider the standard narrative of Mexican history and contribute to a body of literature that internationalizes Mexico's domestic past.²⁰

To reconceptualize both the domestic history of postrevolutionary Mexico and the international history of U.S.-Mexican relations during the interwar period, I weave together social, economic, cultural, political, and diplomatic history. The book's two parts seek to give full consideration to each side of the domestic/international equation. The first section examines the origins of the agrarian dispute and details the expropriation of American-owned agricultural property in Sonora and Baja California during Cárdenas's *sexenio* (six-year term in office). The second section of the book examines how the diplomatic crisis that resulted from the nationwide expropriation of American-owned farms, ranches, and timberlands was resolved by U.S. and Mexican officials.

I use Baja California and Sonora as case studies because of the significant amount of land taken from American property owners in both regions (see



MAP 2. Baja California Norte and Sonora, highlighting the Mexicali and Yaqui Valleys.

map 2). The 412,000 acres expropriated from CRLC in the Mexicali Valley represents the single greatest loss for any one American landowner between 1927 and 1940—both in terms of its overall size and in terms of its market value and compensation award. At the opposite end of the spectrum, the twenty-nine small farms that were appropriated in the Yaqui River Valley in late 1937 represent the largest number of individual American-owned estates expropriated in any one local area of the country between 1927 and 1940. In these two valleys alone, some forty American property owners lost close to 600,000 acres—or 30 percent of the nearly 2 million acres of agricultural property expropriated from

Americans throughout the country between 1927 and 1940. All together, sixty Americans lost land in the state of Sonora and the territory of Baja California Norte.²¹ Hence, few parts of Mexico were more important to either the domestic or the international side of the agrarian dispute.

However, numbers alone do not explain why I choose these two states as case studies. Because of the dramatic difference between the Mexicali and Yaqui Valleys in terms of the types of American landowners situated in each, the composition of their local populations, and the particularities of their regional politics, among other issues, studying these two states helps to illustrate important areas of commonality and difference with regard to the book's four central issues: the circumstances that spurred agrarista mobilization, the rationale behind Cárdenas's agrarian policies, Washington's reaction to the loss of American-owned land, and the diplomatic tactics employed by Mexican officials.

When we look at events in both Sonora and Baja California, we see that while economic, social, cultural, and political forces together led to the expropriation of American-owned land, the relative importance of each varied from state to state. In both locations, agrarista mobilization stemmed from the poor living and working conditions of the landless campesinos. However, in Sonora, indigenismo was also a contributing factor, while in Baja California, mestizaje was. As for Cárdenas, he used agrarian reform in both regions to improve the material conditions of the rural underclass. His redistribution of American-owned agricultural property in Baja California was also driven by economic and cultural nationalism; however, in Sonora it was precipitated mostly by political opportunism. Although U.S. policymakers tried to defend all American rural property owners in Mexico from land redistribution, some of them fought harder for the small farmers, such as those in Sonora, than they did the large agribusinesses, like CRLC in Baja California. Consequently, Cardenista officials played up their alleged concern for the small landowners and used the large property owners, especially if they were stockholders in land development companies, as a wedge issue to strengthen their hand bilaterally and further divide an already-fractious U.S. diplomatic corps. In short, comparing these two states illustrates the multifaceted nature of land redistribution in Mexico, as well as the distinct origins and erratic evolution of the bilateral agrarian dispute.

To understand both the motives of Mexico's agraristas and the policies of U.S. and Mexican officials, I draw on an eclectic mix of popular and official

sources. By tapping primary sources such as the regional partisan press, peasant petitions for land, agrarista testimonials, and peasant interviews—both my own and previously published ones—this analysis stays close to the ground in explaining the agraristas’ goals and actions. To clarify the domestic and international policies of the Cárdenas, Ávila Camacho, and Roosevelt administrations, I have relied on the internal and foreign correspondence, memoirs, and unpublished papers of leading officials within each government, as well as government reports and surveys, newspapers articles, photographs, and political cartoons. Such wide-ranging source material helps give shape to the multi-form engagement among actors of unequal power who contributed to the agrarian dispute: namely, landless fieldworkers, colonists, indigenous groups, small landowners, multinational corporations, labor leaders, teachers, state-level officials, federal policymakers, and diplomats.

Besides including a diverse set of actors, this story focuses on events in four different locations—Sonora, Baja California, Washington, and Mexico City—and places them within the context of larger global developments, such as the Great Depression and the Second World War. Hence, the narrative’s breadth requires a flexible analytical model, one that is applicable to the distinctiveness of area studies and the scope of international relations. The fact that no such model exists may, to a certain extent, help this study avoid reductionist explanations. As I hope to show, historical actors—both elite and subaltern—usually do not make important decisions based only on one factor. They, like the rest of us, are driven, knowingly or not, by a variety of underlying forces that sometimes remain constant but occasionally change, depending on, among other things, time and place.

I

Domestic Origins of an International Conflict



1

THE ROOTS OF THE AGRARIAN DISPUTE

The Richardson Construction Company is primarily a land and water company. Broadly stated, the purpose of the company is to place its lands under irrigation, to sell the lands but retain the water rights, and supply water at an annual rental to the lands sold; furthermore, it will enter into the general development of the entire Yaqui Valley.

DAVIS RICHARDSON, PRESIDENT OF THE RICHARDSON CONSTRUCTION CO., MAY 20, 1907

Foreigners cannot own real estate under any conditions.

MEXICAN AMBASSADOR TO THE UNITED STATES MANUEL TÉLLEZ, 1926

The person and the property of a citizen are part of the general domain of the nation, even when abroad, and there is a distinct and binding obligation on the part of self-respecting governments to afford protection to the persons and property of their citizens, wherever they may be.

PRESIDENT CALVIN COOLIDGE, 1927

Landownership has been a dominant issue in Mexico since the colonial period. From independence until today, Mexican officials have repeatedly used agrarian laws as an economic tool to alter landholding patterns and develop the national economy, as well as a political weapon to undermine opponents, support allies, and build broad-based popular coalitions. In other words, Mexican leaders have often used agrarian legislation as a state-building tool to increase their power and advance the nation's economy, as reflected by the era in which they governed, including periods as distinct as La Reforma, the Porfiriato, and the revolution.

After Porfirio Díaz overthrew Sebastian Lerdo de Tejada's government in 1876, he imposed a number of agrarian laws designed to promote capital accumulation in rural Mexico, empower regional allies, and chip away at communal Indian villages. The goal of Díaz's *Científico* advisers was to modernize the still-semifeudal countryside and promote migration to underdeveloped areas. They assumed that agricultural production and government revenue would increase with more land under cultivation—no matter the size of the holding or the nationality of its owners. By developing rural Mexico, the Porfirians hoped to transform the economy from an agriculturally based semisubsistence one to a surplus industrial one built on the nation's natural resources.

To initiate this multifaceted process and make rural Mexico attractive to both domestic and foreign investors, Díaz's administration promoted railroad construction, which would facilitate migration and trade. Also, under the agrarian law of December 1883, Díaz had all of Mexico's vacant public lands surveyed so as to begin the process of their enclosure. The survey companies, which were instrumental in privatizing and capitalizing Mexican agriculture, were entitled to keep one-third of the areas surveyed in lieu of payment. The remaining *terrenos baldíos* (vacant and untilled lands) were auctioned off in vast tracts at low prices to the survey companies themselves and Díaz's associates, as well as foreign and domestic speculators. His government also granted generous land and water concessions, along with tax incentives, to U.S. and Mexican land development companies in exchange for their agreement to improve the holdings that they usually acquired on the cheap. In 1890, Díaz reinstated some Liberal-era laws to hasten the redistribution of communal lands among residents of indigenous villages. The results were generally the same as before. Few Indians could afford to become growers, and local hacienda owners either cajoled those who could into selling their property or else took it by force. In 1894, Díaz decreed that lands without proper legal title were also considered vacant and subject to auction. This led to the further usurpation of millions of acres from indigenous communities and small property owners.¹

By 1910, fewer than eleven thousand haciendas controlled 57 percent of Mexico's national territory. Meanwhile, small farmers and ranchers together held 20 percent of the land, and communal campesino communities controlled an additional 6 percent. The remaining lands were either national or unclaimed. The year 1911 marked the highest point of landlessness in Mexican history. As for the residents of the states analyzed here, 77 percent in Sonora and 88 percent in Baja California were landless rural workers. Land concentration

and the resultant increase in peonage, tenantry, sharecropping, and migratory labor, along with the rapid industrialization of certain agricultural sectors like sugar, worsened the working and living conditions for rural laborers and impelled many to take up arms in the revolution.²

Mexico's revolution brought an end to the Porfiriato in 1911 and ushered in profound changes in land tenure. During both the revolutionary and post-revolutionary eras, agrarian legislation was still used as a political and socioeconomic tool by the country's ruling elite. Now, however, the agrarian laws were designed to return the land to the peasantry and ensure the political survival of competing revolutionary factions. The extensive land redistributions carried out by Emiliano Zapata in Morelos, and the more statist land reforms envisioned by Pancho Villa in Chihuahua, forced the leader of the Constitutionalist Army, Venustiano Carranza, to enact radical agrarian legislation in order to broaden his base of popular support against these rivals.³ On January 6, 1915, Carranza decreed the restoration of village lands and the expropriation of haciendas. He also nullified all land, water, and forest concessions issued by federal authorities since Díaz entered office in 1876 and called for the distribution of land to the peasantry. The January 1915 law marked the first significant piece of national agrarian legislation that derived from the revolution and became the basis for subsequent constitutional reforms. Two years later, Carranza, who was still trying to consolidate his power nationally, accepted the radical and nationalistic provisions contained in Article 27 of the new 1917 Constitution. Article 27 reversed sixty years of federal land tenure policies by nullifying all measures passed since the Liberal's Ley Lerdo that had alienated communal lands starting in 1856. It also placed all of Mexico's natural resources under national domain, making possible the expropriation of privately owned property by the federal government.

Both the 1915 land reform and the 1917 constitution served two important purposes. First, they empowered Mexico's rural majority. Second, they weakened three important pillars of Díaz's regime, all of whom were prominent landowners: domestic hacendados, foreign investors, and to a lesser extent, the Catholic Church.⁴

At least on paper, the legislation of 1915 and 1917 simultaneously undercut the "revolutionary family's" conservative opponents and strengthened its working-class political base. But, the defeat of the Villistas and Zapatistas by the Constitutionlists dampened the enforcement of Article 27 in the first fifteen years of the postrevolutionary era. Land was given to the peasantry



FIGURE 3. On left, President Pascual Ortiz Rubio (1930–32) and former President (a.k.a. el Jefe Máximo) Plutarco Elías Calles in 1930. AGN, ARCHIVO FOTOGRÁFICO, FONDO ENRIQUE DÍAZ, 4/4.

between 1920 and 1934, but it was done not to create a more equitable socio-economic system. Rather, property was redistributed predominantly for political reasons: namely, to hasten state formation by placating campesino discontent, pacifying the countryside, and establishing federal-regional alliances. The numbers illustrate the limited nature of agrarian reform in the 1920s. From 1920 to 1924, President Álvaro Obregón redistributed only 4,142,355 acres of land, and between 1924 and 1928, President Plutarco Elías Calles parceled out just 7,891,719 acres. Rather than distribute additional government-financed *ejidos* (land granted or restored by the government, either to individuals or to communities), both leaders promoted private landownership. In 1926, for example, Calles established the National Bank of Agricultural Credit (Banco Nacional de Crédito Agrícola) to loan money to small farmers in the hope of creating a class of smallholders.⁵

The pace of land redistribution remained slow during the six-year Maximato (1928–34), when Calles, as el Jefe Máximo, dominated national politics

through his control of three interim presidents (Emilio Portes Gil, Pascual Ortiz Rubio, and Abelardo Rodríguez) (see figure 3). Since the 1917 Constitution required the federal government to compensate property owners for their expropriated holdings, the fiscally conservative Callistas were wary of further increasing the government's indebtedness. Consequently, in 1930 and 1931, new conservative agrarian legislation known as the "Stop Laws" reduced land redistribution to its lowest level since the late 1910s. According to Mexican officials, the change in policy was necessitated by the nation's enormous agrarian debt, which in 1930 was estimated at \$400,000,000. Also, since most affected rural property owners were not indemnified due to the lack of government revenue, Mexican leaders worried that the country's inability to meet its financial obligations was undermining its credit rating abroad and frightening away foreign capital. They also believed that a new direction in agrarian policy was needed because, according to Calles, "agrarianism was a failure." Since the ruling Callistas had lost faith in ejido farming—due, in part, to its limited output—they slowed land redistribution and instead promoted large-scale commercial agriculture.⁶ In the first two decades of revolutionary agrarian legislation, approximately 26 million acres of land were expropriated. Not only did this affect just 6.2 percent of Mexico's farmland, but much of the property that was given to the peasantry between 1915 and 1935 was low quality. Worse yet, most ejidatarios were not provided adequate credit, education, or material support to facilitate their transition from landless rural workers into small independent growers or communal farmers.⁷

The limited nature of federal land reform strengthened radical agrarianism in the early 1930s, and the movement began to pose a threat to the nation's large landowners, both domestic and foreign. Spurred by the Great Depression, in the first half of the 1930s well-organized and politically active agraristas, including leaders of the National Campesino League (Liga Nacional Campesina) "Ursulo Galván" and the Confederation of Mexican Campesinos (Confederación de Campesinos Mexicanos, or CCM), pushed to liberalize Mexico's agrarian reform laws.⁸

In December 1933, delegates from the government's official party, the National Revolutionary Party (Partido Nacional Revolucionario, or PNR) met in Querétaro, nominated Lázaro Cárdenas as president, and drew up the Plan Sexenal to guide the new administration. More radical than Calles had hoped, this nationalistic Six-Year Plan (1934–40) called for accelerating the breakup of large estates and redistributing more land in the form of communal ejidos. In

addition, the plan sought to modernize the countryside through increased irrigation, reforestation, rural education, and new farming practices, while promoting minimum-wage laws, collective bargaining rights, and workers' co-operatives. The Six-Year Plan also established the federal Agrarian Department, with a director who answered only to the president and whose primary objective was land redistribution. The new plan was critical of the Sonoran economic model that Presidents Obregón and Calles had imposed between 1920 and 1934, a model that had not substantially altered the Porfirian economic system, especially land tenure patterns. The economic program of Obregón and Calles was characterized by limited agrarian reform and dependent capitalist development based on foreign investment and the export of raw materials. The new Six-Year Plan reclaimed the economic nationalism of the 1917 Constitution by reinvigorating the "interventionist state" and allowing Mexicans to enjoy the fruits of their labor. This was never more apparent than when American-owned agricultural property was redistributed to landless campesinos.⁹

In addition to the Six-Year Plan, one new piece of legislation—the 1934 Agrarian Code—empowered landless rural workers. It extended the right to submit ejido petitions to not just peasants residing in free villages but also resident estate workers known as *peones acasillados*, along with seasonal workers. Also, starting in 1934, the establishment of state-level Mixed Agrarian Commissions (composed of representatives from the federal Agrarian Department, state governments, and usually six individuals from local peasant leagues) enabled community actors not only to petition for land but also to push the application along and supervise redistribution when it occurred.¹⁰

Just as the 1934 Agrarian Code empowered Mexico's agricultural underclass, Cárdenas's passage of the 1936 Expropriation Law strengthened the federal government's hand in the rural sector. The law made it possible for Mexico City to expropriate lands that had previously been exempt, such as properties devoted to commercial agriculture and export—as were many American-owned estates.¹¹ These three major pieces of legislation—the Six-Year Plan, the 1934 Agrarian Code, and the 1936 Expropriation Law—empowered Cárdenas's administration and landless rural workers alike; they also weakened the rural economic elite, promoted agricultural modernization, and enabled many more Mexicans to benefit directly from their country's natural resources. As was common throughout much of the country's history, and as we will see in chapters 2 through 5, the changes in agrarian laws that were enacted during Cárdenas's term in office reflected the president's rural socioeconomic agenda;

they also increased his power by weakening his conservative opponents and strengthening his working-class political base.

AMERICAN LANDOWNERS IN SOUTHERN SONORA

As Mexico consolidated politically in the late nineteenth century, during the thirty-five-year Díaz dictatorship, American expansion into the Mexican countryside was led by land development companies, agribusinesses, timber and ranching companies, absentee land speculators, resident colonist farmers, and individual small-scale growers and ranchers, as well as landless rural workers. American investors who obtained large estates did so by buying the concessions that Díaz's government granted to the survey companies. According to John Mason Hart, "Fraud and corruption were inherent in the process."¹² By the late 1920s, American-owned rural properties in Mexico were valued at \$140 million.¹³ Many of these American properties were controversial holdings that local communities believed were wrongfully taken from them either by federal and state officials or private Mexican companies and individuals. In many cases, the new American property owners, like the Mexican land-grabbers who preceded them, were resented by those whose holdings were usurped. Consequently, Hart claims the Americans sometimes became embroiled in the "intense struggle between Mexico's elites and its disenfranchised."¹⁴ To a certain extent, this was the case on the north bank of Sonora's Yaqui River, where the Yaqui Indians violently contested the possession of their ancestral lands by Mexican and American landowners. In fact, in the first quarter of the twentieth century the largest property owner in the Yaqui Valley was a California-based company.

As Díaz had done throughout the country, in the early 1880s he ordered Sonora's public lands surveyed to foster the state's economic development. However, according to some Porfirians, Sonora's "primitive" indigenous populations stood in the way of the state's advancement.¹⁵ After Sonora's lands were surveyed, Díaz turned the federal army on one of its most resilient indigenous groups, the Yaqui Indians who lived in the southern river valley that bore their name. After two years of brutal fighting, the Yaquis succumbed to the federal forces. Some of those who survived were deported as slaves to work on plantations in Yucatán and Cuba. Others were conscripted into the national army against their will. Some escaped the government's long arm and retreated into the Sierra del Bacatete or fled across the border to Arizona. A few, though, remained in the valley to work as field hands on the lands of their ancestors. In

1860, approximately twenty thousand Yaqui Indians lived in the valley, but by 1910 only three thousand remained.¹⁶

After the Yaqui were decimated by federal forces, Díaz's administration opened their homelands and the surrounding region to colonization. In 1904, the Los Angeles-based Richardson Brothers Company and its subsidiary, the Richardson Construction Company, established the Mexico-based *Compañía Constructora Richardson* (CCR) to purchase property in the Yaqui Valley. The owners of the Richardson companies included William and Davis Richardson, Harry Payne Whitney, Herbert Sibbet, John Hays Hammond, and the Knickerbocker Bank and Trust Company of New York, among others.¹⁷ As a land development firm (i.e., a colonization company), CCR bought 300,000 acres of property from the previous owners, surveyor Carlos Conant and the now-bankrupt American-owned Sinaloa and Sonora Land and Irrigation Company (SSLIC). CCR management then established the town of Esperanza ("Hope") in the Yaqui Valley, where it located the company's headquarters. By 1907, CCR had expanded its holdings to 550,000 acres, and by the end of the decade it held nearly 700,000 acres. Approximately half of this was suited for agriculture; of the remainder, more than 220,000 acres were ideal for grazing livestock, while over 81,000 acres were wooded. The company planned to use each land type commercially. In addition, because it also obtained the federal concession for regional development, CCR was obligated to build a rail line and an irrigation system throughout the entire Yaqui Valley. Both large infrastructure projects were intended to cover lands not owned by the company, including some of the Yaqui's ancestral homelands on the north bank of the river. CCR's earnings came from several sources, including the sale of land, town sites, cattle, timber; and irrigation water.¹⁸

CCR never undertook railroad construction and in 1905 sold those rights to the American-owned Southern Pacific Railroad Company. Within two years, Southern Pacific had laid ninety miles of track through the valley. Afterwards, the railroad giant built connecting lines northward that linked the Yaqui Valley to the nearby port city of Guaymas and the state capital of Hermosillo, as well as the border city of Nogales, Arizona. Southern Pacific then built lines southward down the west coast of Mexico to the cities of Los Mochis and Mazatlán in the state of Sinaloa, then on to Guadalajara in Jalisco state, and into Mexico City. Such an extensive rail system facilitated migration to the Yaqui Valley for U.S. colonists and Mexican workers alike and provided cheap and easy shipment of grains, fruits, and vegetables to regional, national, and international markets—thereby fostering the development of the Yaqui Valley's economy.¹⁹

To develop the valley agriculturally, CCR expanded its canal and irrigation systems. By 1907, the company had added twenty five miles to the main canal and fifteen miles to its lateral canals—which helped to increase the amount of irrigated land from 25,000 acres in 1911 to 100,000 by 1928. CCR paid for the construction and maintenance of the canal system and other infrastructure projects, including roads, with revenue from the sale of land and irrigation water. As stipulated by its federal concession, the company was required to sell land—commonly referred to as *campos agrícolas*—in parcels that ranged from twenty-five to one thousand acres. CCR initially sold its land at the low price of \$10.50 an acre to foreign investors and U.S. colonists. In addition to the foreign property owners, by the 1920s hundreds of Mexican colonists and absentee landowners—including Presidents Obregón and Calles, along with their friends and relatives—had also purchased land from the company.²⁰

To attract workers to its infrastructure projects, as well as colonists to its lands, CCR hung large billboards and distributed tantalizing posters, advertisements, and publicity pamphlets throughout Mexico and the United States (see figure 4). “Leave your troubles and double your profits!” read one series of ads. To showcase what the Yaqui Valley had to offer, CCR established a model farm next to its headquarters in Esperanza to demonstrate both the soil’s fertility and the wide array of agricultural products that could be grown locally. Many of the Yaqui Valley colonists who came from north of the border were searching for a better life. Their “limited financial resources” made the valley’s job opportunities and cheap land look attractive, despite the fact that the colonists, and not CCR, were responsible for clearing, fencing, and improving the land and making it suitable for irrigation. Although this meant that the colonists had significant startup costs, most remained excited by the prospect of cheap, abundant, and well-irrigated lands. Many also were drawn to the Yaqui Valley because of two nearby, relatively modern, and thriving cities—the port city of Guaymas and the city of Cajeme (today Ciudad Obregón)—that were home to mills, packing plants, warehouses, and stores. By 1910, some fifty American families had settled tracts of unimproved land along the southern bank of the Yaqui River under a colonization contract with CCR (see figure 5). Even larger numbers of Americans purchased property as resident colonist farmers after the valley’s main irrigation system was completed in 1912.²¹

The landowners who arrived after Díaz left office had to weather the violence of the revolution, as well as frequent Yaqui incursions. Between 1915 and 1917, Yaqui Indians attacked both Mexican and American homesteads in the valley, and in 1918, nearly 800 Yaquis sacked a Southern Pacific train and killed

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FIGURE 4. Richardson Construction Company billboard in Mazatlan, Sinaloa, advertising irrigated land for sale in Sonora's Yaqui Valley, ca. 1910. COURTESY OF THE SPECIAL COLLECTIONS, UNIVERSITY OF ARIZONA LIBRARY, RECORDS OF THE COMPAÑIA CONSTRUCTORA RICHARDSON, MS 113, BOX 1, FOLDER 4, PHOTOGRAPHS, 1904–27.

five Americans. Yaqui raids and squatting throughout the valley—which were more examples of popular resistance than illegal acts—continued the following year and into the 1920s. Besides having their property attacked by the local indigenous population, state officials wrote legislation that threatened the holdings of the American colonists. In late 1918, Sonoran governor Plutarco Elías Calles (1917–19) passed new state laws that were designed to break up large rural properties for redistribution. Legal limits also were placed on how much land could be held: 25 acres of grazing land, 250 acres of irrigable land, and 750 acres of nonirrigated property. Any estate in excess of these amounts was to be divided among the landless peasantry. U.S. officials immediately protested Sonora's new agrarian laws on the basis that they were confiscatory, since compensation through state bonds did not ensure adequate payment for the expropriated holdings. Washington also argued that the laws denied American landowners due process, thereby violating Article 14 of the 1917 Constitution. Mexican diplomats rejected these claims, stating that Sonora's agrarian laws were in full compliance with the Constitution and were modeled on national agrarian legislation. It is noteworthy that the conflict over Sonora's land laws in 1918 foreshadowed later controversies over federal agrarian legislation as applied against American-owned estates across the country.²²

The revolution also had a detrimental impact on CCR. The dozens of Yaqui