

A Statement of the Mexican Situation

THE following statement from Benjamin C. Marsh, Executive Secretary of the People's Reconstruction League, was inserted in the Congressional Record by Senator Lynn J. Frazier, of North Dakota. Mr. Marsh is well and favorably known to readers of LAND AND FREEDOM.

I. Mexico proposes to use her natural resources, of which petroleum is an important one, for the benefit of her own people—"to prevent the destruction of natural resources." The Government of these United States has turned over most of the important natural resources (except water power) to the financiers of the Nation to sell to the American people at enormous profits.

Results of our policy were reported to the United States Senate last year by the Federal Trade Commission in their report on "National wealth and income," and are shown in the reports of the Commission of Internal Revenue.

(1) Petroleum: The United States and Alaska have 16.3 per cent. of the petroleum resources of the world and Mexico has 10.5 per cent. The estimated value of the petroleum reserve of the United States in 1921 was \$5,800,000,000. Five companies, the commission reported controlled, in 1923, 40.5 per cent, and nine companies had 57.2 per cent. of the total reserves of petroleum reported. The commission comments: "The so-called Standard Oil group of companies, while controlling in 1923 nearly half the gasoline output of the country and about two thirds of the gasoline stocks, produced only 14.4 per cent. of the total crude oil for the year."

(2) Coal: The United States Coal Commission estimated the value of coal in present operations as \$7,129,714,000, in reserve tonnage as \$5,303,050,000, total \$12,432,764,000. The Federal Trade Commission estimates that 15 large companies control 88 per cent. of the total recoverable anthracite tonnage and 6 per cent. of the companies control about 72 per cent. of the recoverable bituminous tonnage.

II. Mexico proposes to "prevent the destruction of natural resources, and to protect property from damage detrimental to society."

In 1914, 1,694 timber owners held in fee over one-twentieth of the land area of the United States from the Canadian to the Mexican border. The waste of timber in the United States has been almost criminal.

III. Mexico proposes to protect her peasants from exploitation by land speculators, and other speculators, "to develop small landed holdings, to establish new centers of rural population with such lands and waters as may be indispensable to them."

About one-third of the acreage of land in farms in the United States is in farms of 500 acres and over, and one-fourth in farms of over 1,000 acres. There has been

"mining" of the farms, and such speculation in farm lands during the decade from 1910 to 1920, that the value of farm lands in 1920 was \$54,829,000,000. The long term mortgage debt on American farms is now estimated at about \$8,000,000,000, the short term debt at \$5,000,000,000. From 1920 to 1925 the selling price or value of farm lands in the United States fell from \$54,829,000,000 to \$37,760,000,000, a reduction of \$17,069,000,000, or 31.1 per cent. This reduction in the value of farm lands in the United States in five years, was one hundred and three times the total value of rural property owned in Mexico by American citizens.

The condition of farmers in the United States is so serious, that the most conservative farm organizations, are urging Government subsidies to farmers, either as export bounties or direct subventions out of the Public Treasury.

Mexico's plan would make unnecessary a subvention to agriculture to keep up the speculative value of farm lands for the benefit of big farm owners.

The States of the United States have a constitutional right to cover into their treasuries all ground rent by heavy taxation of land values and to levy a tonnage tax on coal and other minerals, and on the output of oil fields equal to the total net profits thereon. The Federal Government has a constitutional right to prohibit the manufacture of anything the people decide to make taboo and to refuse to compensate for damages sustained thereby, either by citizens or aliens, in the destruction of the value of their property so used up to such time. States and municipalities have the constitutional right to designate the use to which private property may be put by zoning and city planning laws, a right twice upheld by the Supreme Court of the United States. States have a right to forbid alien ownership of land.

We would no more agree to submit any of these matters to arbitration than we agreed to submit the question of our immigration policy to any foreign body, holding that it was a matter of purely and exclusively domestic concern.

The real crux of the Mexican land and petroleum laws is not their injustice, nor any element of confiscation, but the fear that their enforcement by Mexico will lead to similar laws in the United States and end our reign of special and protected privileges, under which, as the Federal Trade Commission informed the Senate last year in their report on "National Wealth and Income," 1 per cent. of the families of the United States own 59 per cent. of the wealth and 10 per cent. of the families own 90 per cent. of the wealth.

HOWEVER intricate the law of property has been allowed to become, the central theory of law on the subject has never changed.—"Land and The Nation" (Lloyd George's "Green Book"), October, 1925.