**Calles’ Presidency**

* Dominates the next decade of Mexican politics
* Continued on foundations of Obregon
* Radical rhetoric - pragmatic policy

**Calles’ Economic and Land Policies**

* Rapid growth of national capitalism
* Creation of National Bank
  + Strengthens fiscal/monetary policy
* National Road Commission organized
* National Electric Codes enacted
  + Stimulates growth of construction and consumer goods industries
* Aid given to industry (foreign and domestic)
  + Protective tariffs
  + Subsidies
* Land reform
  + Distribution increased from Obregon
    - Over twice as much land distributed 8 million hectares
  + Problems
    - Hacendados were able to choose the land they gave up, most of it was not arable
    - Calles did not provide tools or other items to make the land productive

Luke’s Notes: *Calles is a teacher form Sanora, which was an area of violence. Roger broke the pencil sharpener. He takes a “parent-style” roll of controlling Mexico. He nationalized things because he didn’t think that the companies could handle it themselves (or do it properly at least). Latin America was trying to become more independent, so they were pushing out foreign businesses (such as in the banking industry). Public roads built by the government provided both jobs and the trade industry with methods of transportation.*

**Calles’ Economic and Land Policies (Con’t)**

* Government bank was created to lend money to ejidos
  + ⅘ of money went to the hacendados because of superior credit ratings
* Land reform judged a failure because the grain production of 1930 was below the production of 1910
  + Calles concluded peasant proprietorship was not economically desirable and ended land redistribution

Luke’s Notes: *There was an extreme drought until the 1930s, which Calles didn’t really take into account. He thought production was just low. He moved on to other regulations and gave up on land reform.*

**Labor**

* Trade unions serve two purposes
  + Keep growing power of capitalism in check
  + Barricade in the event of attack on capitalists
* Labor began to split from CROM form independent unions
  + Disillusioned with corrupt leaders and low wages

Parker’s Notes: *Grapes of Wrath are just raisins*

Luke’s Notes: *The US thought that Unions were communist and did not like them because communism is evil.*

**Conflict with U.S.**

* Calles welcomed foreign capital but believed that Mexico had the right to regulate the conditions surrounding it
* 1925 dispute over land ownership
* Mexican Congress passes laws implementing Article 27
* Oil ownership becomes a lease arrangement
  + Exchange title for 50 year concession (lease agreement)
  + Possible 30 year renewal
  + Possible further extension
* Mexican view
  + Eliminated vagueness and gave oil companies firm titles. Stopped calls for outright nationalization of oil
* Oil Company view
  + Law was confiscatory, they threatened to drill without confirming concessions
* American hardliners were “saber rattling”
* American ambassador “there is little white blood in Calle’s government”
* Secretary of State Kellog stated that there were “Bolshevik aims in Mexico and Latin America”
* Intervention was stopped by arguments from
  + Progressive senators
  + Press, church, academic groups
  + Realization that war with MExico would have little national support
* Dwight Morrow appointed Ambassador to Mexico
* Negotiated an understanding with Calles concerning the time limitation on concessions
* Mexican Supreme Court ruled that aspect of the law unconstitutional
* Crisis was averted
* Law still provided for confirmatory concessions and reaffirmed national ownership of the subsoil

Luke’s Notes: *Calles doesn’t want to drive out foreign capitol per se, but wanted more control. He felt that he was needed, but the oil companies had different opinions: “Hands off my subsoil”. Laws keep being removed and added, and the butt of this was largely subsoil rights.*