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Genal Rodriguez

## PROGRESS IN WEST MEXICO

By Andrew R. Boone

While Mexican citizens recently were applauding youthful Capt. Emilio Carranza for his achievement, rather widely heralded, of flying non-stop in an American-built airplane from San Diego to Mexico City, another less-known but more significant undertaking was in progress.

Enthusiasm in the Mexican capital over Captain Carranza's flight had not abated when there came winging from western skies another airman--Carranza's former teacher--who likewise had flown non-stop from the Pacific coast. The second victor over Mexican mountains and deserts was Major Robert Fierro of the Mexican Air Force, and he flew a Mexican-built monoplane, constructed at Tijuana by a company fostered by Gov. A. L. Rodriguez of Lower California.

Mexico since Col. Chas. A. Lindbergh's southern flight has become more than ever air conscious, and the flight of the "Baja California" by Major Fierro from Mexicali to Mexico City is a striking instance of Mexico's industrial awakening. Coincidence though it may be, the "Baja California" is an all-metal plane built in a land that abounds in minerals. That it comes to Mexico City from a point so removed from Mexico's governing center may be strange, yet it is only indicative of recent advances in west Mexico.

It is not odd that progress in west Mexico should be unheralded.

The average American can tell you more about some remote regions than he can about those territories immediately contiguous to the United States. Apparently proximity breeds indifference, and few indeed are there north of the border who have even an inkling of what takes place there.

The Lower California situation should be emphasized. That long finger of land extending southward from the California border soon will be connected directly with the mainland; a railroad, already in operation from Mexicali as far south as the Colorado river, will open vast new empires; Garcia dam, under construction near Tijuana, will serve water to numerous fertile valleys, oil prospecting on the world's largest concession is in progress; a great variety of precious minerals has been discovered in Lower California; fisheries are being developed both on the mainland and in Lower California and agriculture, composed of great estates, offers many opportunities to capitalists.

Geographically, Lower California can be considered a part of California. It represents a sparsely settled area of approximately 58,000 square miles, extends 75 miles south from the California border and varies in width between the Pacific and the Gulf of California from 30 to 140 miles. Lower California's climate and vegetation resemble those of southern California.

Geologically, Lower California may be considered a peninsular extension of the Sierra Nevada and the Coast Range region. It no doubt was formed as the result of a merging of these two mountain ranges. The surface is generally mountainous, with a central plateau region interrupted by peaks and short ranges. At the south the peninsula terminates in an immense mountain mass, rising to an altitude of 8,000 feet.

Lower California is a land of vast possibilities. For many years it received scant attention from the central Mexican government;

today, however, the prospector and the industrialist have turned their eyes with favor to this territory. A co-operative development of its resources has been formulated. This may be noted particularly in the vast concession recently granted by the central federal government to the Campos Petroleros de la Baja California, S. A., a Mexican corporation with headquarters at Tijuana. This concession covers 5,000,000 acres of what is purported to be oil land in the northern district. This is said to be the largest petroleum concession ever obtained anywhere in the world. It embraces lands that lie along the Pacific ocean for a distance of nearly 210 miles. According to the company's statement it now is negotiating for American capital to take over parts of their acreage on a basis of 30 per cent royalty which will cover all payments due the government for royalty and taxes. It is further stated, and this should be emphasized, that the company will protect the American lessees from any contact with the government and against any obligations imposed upon foreigners, either as individuals or as corporations.

While these oil explorations are carried on along the peninsula, completion of the Mexicali and Gulf Railroad should prove one of the greatest factors in the development of that area south of the border. This will afford direct rail communication between San Diego and intermediate points and the Gulf of California by linking together the San Diego and Arizona, Southern Pacific, Inter-California and Mexicali and Gulf railroads. The latter-named railroad was originated by the Mexican government as an integral part of the National Railways of Mexico, it being their plan to construct a line from Mexicali to San Felipe, a port 150 miles distant on the eastern side of the peninsula. It was the expressed idea to construct a line for military purposes, giving direct communication with the mainland without the necessary of

going through the United States.

Negotiations were completed in Aggust, 1924, with the Colorado River Land Company to take over and construct this line with the provision that it be projected either to La Bomba, a port near the Colorado River or to San Felipe. Later it was found that La Bomba was not a suitable port for ocean-going vessels and that San Felipe was a port of shallow water with rock bottom and could not be made a port for deep-sea vessels. Thus it became necessary to seek another port site, which finally was located at the northern extremity of the Gulf of California on the Sonora side near old Port Isabel.

The Mexican government has authorized the change in the line to the new port, which will be known as Port Otis, honoring General Otis, publisher of the Los Angeles Times and until his death owner of many thousand acres in Lower California. This change will necessitate crossing the Colorado River and the entire delta and will open up to cultivation 2,000,000 acres of land that otherwise would not be reached. The line will be completed in about two years. About 25 miles is already in operation south of Mexicali and the next step will be construction of the three-mile-long bridge and causeway over the Colorado. This railroad will make it possible to transport minerals from Lower California to the Mexican mainland.

The country has not been totally explored, yet several mines have been worked from time to time at least 100 years. Among the varieties of ore found are those yielding gold, silver, copper, lead, iron, manganese and molybdenum. El Boleo mining camp at Santa Rosalia employs 12,000 workers in the extraction of large quantities of copper, which is sent to France. El Boleo has been mined since 1872. In the early stages of its development those ores carrying less than 20 per cent of copper were discarded. El Boleo, which has been the most important

mining center in Baja California, refines the ores on the premises and ships then refined product to France. At Santa Rosalia, the town that shelters the personnel operating the mines, the company has established schools and hospitals and generally takes good care of its employees. The school operates its own steamers to and from Europe.

Elsewhere in Lower California are many claims filed by poor ranchmen--in some cases of very valuable mining properties--but inability of these ranchmen to interest capital has brought about a situation whereby they lose their rights on such claims simply because they do not have sufficient money to pay accruing taxes. As a result an enormous number of claims are open for renewals. Also a distorted idea of unsafety and revolution has kept capital and science out of Baja California. As a matter of fact, however, fighting has been a very rare thing in the peninsula. Most of the fighting during the revolt was confined to the mainland of the Republic of Mexico--totally separated from this region.

The importance and riches of the great Imperial Valley in California have been written about many times, but the Imperial Valley in Lower California--the Mexican Imperial Valley--has scarcely been mentioned. As far as agriculture is concerned, the land of Lower California has hardly been scratched. About 80,000 bales of cotton annually are being raised in the Imperial Valley on the Mexican side. Those associated with the industry say that in a short ime this yield will increase to 500,000 bales, because cotton is indigenous to this soil. In fact, there probably is no other spot in the world that unites all the necessary conditions for the growing of cotton.

First, all the lands are old deltas of the Colorado River. The grand canyong of the Colorado has ground all of the soil and the flotsam like a gigantic ball mill and has produced a soil of great fertility. To this the Colorado supplies an abundance of water, all under gravity irrigation.

A chain of mountains protects the valley completely on the east, the west and the north, creating a sort of artificial climate, guarding the valley from the moist breezes of the Pacific and the cold winds of the north and the west. These conditions provide practically a frostless valley.

As a result, cotton in Lower California has been planted as late as June and with this late planting has had time to produce a bale to the acre.

Not all of the development in Lower California is carried on by Americans. Garcia Dam, representing an investment of \$4,000,000 gold, was conceived in the brain of Governor Rodriguez. True, Mr. Spencer W. Stewart of New York, representing the Ambursen Dam Company, is the contractor. But Mexican initiative and brains started it. The contract was signed on February 17, 1928, and calls for completion within two years.

The dam will be of concrete and steel. It is being erected over the principal affluent of the Tijuana River within the municipality of Tijuana and approximately 14 miles south of the International border. The contractor has posted 100,000 gold pesos (\$50,000 U. S. dollars) with the Government of the Northern District of Lower California to guarantee fulfillment of the contract. This action of the contractors represents their faith in Mexican investments, and the contract will bring about the purchase of United States machinery and supplies and will carry on the bustle of a huge undertaking for nearly two years.

Garcia dam will open up the valley that carries the same name and will be made the scene of agricultural effort comprising nearly all products grown in southern and northern California. Irrigation has been the chief problem in the work of turning the country into an agricultural center, and the dam is one of a series of developments that General Rodriguez has in mind to open up the country.

Valleys, plains, coast and table lands, numerous in Lower California

nia, are all susceptible to some cultivation. The valleys, of an alluvial soil, are particularly suited to agricultural purposes. There are over 34 valleys in the northern district alone, a few of which are in production. The majority, however, could be made instantly productive by means of suitable irrigation.

Cotton is grown in the Mexicali region, sugar cane in considerable quantities in the Southern District. What is cultivated immediately after the cotton crop in the Northern District. Tijuana, Tecate and Ensenada are the scene of this cultivation with privileged conditions aided by a peculiar regional moisture. Below Ensenada what is also grown. Further south at San Antonio del Mar important fields of this grain are constantly under cultivation. The area available for this grain, the majority of which requires irrigation development, exceeds 150,000 acres. The missionaries introduced, more than a hundred years ago, a variety of fruits to the extent that even today there is ample evidence of the success of the plantings. Strawberries, raspberries, blackberries, figs, oranges, limes, peaches, apricots, almonds, nuts, pears, European and Asiatic plums, quinces, pomegranates, olives, prickly-pears (tropical) and agave (tropical) are in evidence.

The Northern District of Lower California has four well defined agricultural regions: The San Quintin valley with nearly 400,000 acres of magnificent land suitable for nearly all sorts of cultivation; the Las Palmas and Redondo Valleys near Tijuana and the Mexicali valley. The Government of the Northern District permits machinery for agricultural purposes (and in fact nearly all types of any other machinery to enter) free of duties. This has as its purpose encouragement of immediate productivity.

By far the largest landholdings on the Mexican side of the Imperial valley are those of the Colorado River Land Company, an organiza-

tion of California capitalists, with a total area of 832,000 acres, reaching from the Cocopas range to the gulf and as far north as the line of the railway and to the border west of Calexico. This enormous property was the old Andrade estate purchased by the California-Mexican Land and Cattle Company and developed by the Colorado River company.

The second largest holding is that of the Southern Pacific Company, whose lands lie north of the Inter-California Railway. The original tract totalled 55,192 acres, but to date 27,615 acres have been sold to farmers under the plan of the company to dispose of the lands at reasonable terms to promote the development of agriculture. The eastern half of these lands is not subject to gravity irrigation, lying too high to take the water from the present canals, and electrically driven pumps elevate the water from the main supply canals to the level of the land. The western half is watered by gravity irrigation. The lands are held under the name of the Compania de Terrenos y Aguas, S. A., to comply with the new agrarian regulations of Mexico which require that all lands be held by Mexicans or Mexican companies. Even small owners are forced to hold their titles under the name of a Mexican company. Prices of these lands run from \$35 to \$40 (United States currency) or a little more per acre, according to class of soil, location, etc. Similar lands on the American side of the valley sell for \$150 to \$200 per acre. The company has had considerable trouble with squatters recently. Small tracts of some of the best lands in the western part of the section have been taken by natives, presumably under the new agrarian provisions of Mexico, and, although court orders have been obtained under older laws, the authorities have not acted for their actual ejection. It is estimated that in the entire Mexican side of the valley there are not over 120 native Mexican engaged in agriculture on their own account. The railway company maintains a land office in Mexicali, which is actively engaged in selling off the remainder



of these lands to settlers.

The third largest landholding in the valley on the Mexican side is the now famous Cudahy ranch, purchased some years ago by G. C. Cudahy of Chicago. This is located at Hechicera station on the Inter-California railway about half-way between Calexico and Yuma. The tract contains 16,000 acres in a square block. One-half of it is now under cultivation. Special attention is being given to stock, and the Duroc-Jersey hogs produced are the pride of the country.

There are in the valley on the Mexican side about 60,000 acres located principally west of Calexico, held by small colonists who are engaged in cotton planting.

Foreign capital, particularly American investors, has been hesitant to enter Mexican business, principally because of the interpretations of the Mexican land and ownership laws. There are essentially similar to many laws prevailing in various of the United States. The law involved was designed to eliminate international complications, subjecting all foreigners to Mexican legal procedure rather than a diplomatic settlement participated in by foreign governments.

There is today hardly any civilized nation willing to settle legal questions respecting aliens outside its boundaries and jurisdiction. American authorities place the alien on equal footing with American citizens. Foreigners, then, according to Mexican law, may become associated with Mexican companies provided they do not have in excess of 50 per cent of the holdings when directly interested. This measure was passed to guarantee Mexicans a proper opportunity in the participation of business in their country, as in the past foreign companies have employed their own people with a "distinct disregard" for natives. The measure also invites aliens to become Mexican citizens, thereby deriving the full benefits afforded by the laws involved. Previous experience shows that foreign companies,

entirely composed of foreigners, actually drained the country's profit by making continuous remittances to the country of the foreign investors' origin. Mexico suffered substantially from this.

A provision is made by the law, also, to the effect that aliens may not own property within about 62 miles of Mexico's land borders, nor can they own properties within about 31 miles of seashores. This law is protective. If such land could be made saleable to foreigners it would be only a short time before the important areas would come under ownership of foreigners. One can easily imagine any coast of the United States purchased by others than Americans. The result would be totally undesirable.

Otherwise than these limitations aliens can engage in any type of business, in fact become associate owners with Mexicans, but with the express condition that the alien renounces his rights as a foreigner and acknowledges before the Mexican Foreign office that he will submit to Mexican tribunals and procedure of law. He cannot invoke the assistance of a foreign power to settle differences, nor can he invoke the diplomatic protection of his country. The law involved takes particular care that aliens acquiring property or becoming associates of Mexicans shall consider themselves as Mexicans with respect to any litigation that may arise and be treated on an equal footing with Mexicans.

In the indirect method, however, American companies desirous of acquiring interests in Mexico may organize a Mexican company with an American holding company, obviating thereby the apparent barriers. An American company may likewise enter into contracts for the acquisition of Mexican products and with a Mexican firm. In fact, there are available a number of methods whereby American investors may profitably engage in industry or commerce in Mexico without risks other than those usually involved in daily transactions or commercial operations.

Especially in far-western Mexico are the officials keenly alive to

the possibilities of "across the border" friendships--and investments. Lower California, long dormant, now is fully awake to her development potentialities. Her progress of the last five years and her reception of the American scientists and investors prove this.

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