

# **The fortune of geopolitical conditions: Mexico's foreign debt settlement in 1942**

**Gustavo A. Del Angel and Lorena Perez<sup>\*\*\*</sup>**

Draft of October 31st 2018. Please do not circulate. Comments welcome.

**For presentation at Rutgers University, November 5<sup>th</sup> 2018**

---

<sup>\*\*\*</sup> Gustavo A. Del Angel is Professor at CIDE in Mexico City; Lorena Perez is affiliated to the Centro Gómez Morin in Mexico City. Comments welcome. Corresponding author: Gustavo A. Del Angel, [gustavo.delangel@cide.edu](mailto:gustavo.delangel@cide.edu)

Authors thank the comments received from Juan Flores and participants at the Conference Sovereign debt in colonial and neo-colonial developments University of Geneva, Institut d'histoire économique Paul Bairoch March 2018

## **1. Introduction**

In November 1942, the Mexican government reached an agreement with international creditors for payment of its foreign debt. This came after a period of more than 25 years with recurrent problems meeting its financial obligations and 20 years of failed negotiations. The settlement ruled that the Mexican government would pay approximately 10% of its total foreign debt, relief that was unprecedented in the history of Mexico and unusual in the global history of foreign debt (only Bolivia in 1950 reached a similar deal). This was extraordinary, given that by that time the government was managing to clean up its finances and had better fiscal tools at its disposal to meet its financial needs. In this paper, we try to show that this was the result of, first a change in the geopolitical situation, in light of the United States entering the Second World War, and second, Mexico taking a proactive stance in debt negotiations with its international counterparts.

We believe that this is relevant because the chances of debt resolution are usually associated with the debtor's capacity to pay (Sachs 1989; Reinhart and Roggoff 2014), its interest in maintaining a reputation in foreign markets (Eaton y Gersovitz 1981; Eaton 1990; Cole, Dow and English 1995; Reinhart and Rogoff 2014), and the capacity of lenders to gain rights on the borrower's assets (Bulow and Rogoff 1989). However, in this paper we explain a story in which the geopolitical context is what explains that particular settlement. We also show how debt diplomacy explains the course of the negotiations, bringing together purely economic elements, such as the fiscal capacity of a debtor country, with other elements like political stability, the political stances of creditor countries, the ability of the debtor country to take a proactive stance and the agency of individual actors.

At the turn of the 20th century, Mexico was in excellent condition in the international financial markets. It had moderate foreign debt, combined with relatively healthy public finances. However, when the Revolution of 1910 broke out, both the armed struggle and the political instability affected the economy as a whole, and particularly the financial system and public finances. The Mexican government entered into a spiral where it needed financial resources from abroad but wasn't in a position to ensure repayment. Even so, the various groups of warlords who had seized power obtained loans from international bankers. The debt was growing. At the same time, the government faced international investors who sought compensation for losses incurred due to the Revolution. By 1921, when it is considered that the most difficult and unstable part of the Mexican Civil War was over, the government restarted negotiations with international bankers.

To study the process of public debt negotiations during the period from 1921 to 1942, this study is divided into two stages that reflect the state of the most important agreements reached between those years. In the first, from 1921 to 1934, several agreements took shape but Mexico was unable to comply with them. In addition to the conditions of the agreements being relatively astringent, Mexico's negotiating strategy was erratic. In the second stage, from 1934 to 1942, Mexico had a more proactive strategy in the negotiations, as it initiated buybacks of debt bonds in the market. It also coincided with a historic moment in which the United States gave a central weight to Mexico's strategic situation in geopolitics.

In international negotiations, the agency of a key player was decisive for the outcome. Eduardo Suárez, who was the Minister of Finance (*Secretario de Hacienda*) between 1935 and 1946, had participated in debt negotiations since 1926. From 1934, he achieved an important shift in Mexico's position before its international creditors, represented on the International Committee of Bankers on Mexico (*Comité Internacional de Banqueros*).

Suárez took advantage of the crisis among creditor countries, and in particular the growing weakness of the United Kingdom and France, the impartiality of American courts, as well as the precarious situation of Mexican debt bonds in the international markets.

In turn, the government of the United States considered Mexico an important geopolitical ally even before entering the Second World War. The North American governments always stressed their concern that Mexico should maintain a clear and unwavering position alongside the Allied Nations and be emphatic in its rejection of the Axis Nations. This was crucial in light of the proximity of the countries and the sympathy that some Latin American countries showed toward the Axis Nations. In that context, the Mexican government did not hesitate to join the Allied Nations and collaborate with the United States during the War. As part of the negotiating package to reach an agreement, resolution of Mexico's foreign debt became an important concession by the North American government.

This paper is based on contemporary reports by the Ministry of Finance and Bank of Mexico, the central bank, press information from the archives of the Ministry of Finance, the memoirs of the Ministers of Finance – Eduardo Suárez and Alberto J. Pani – and secondary literature. The next section discusses possible conceptual frameworks for the story. Section 3 explains, as a point of departure the events after the 1910 Revolution and the reopening of the debt negotiations. Section 4 and 5 describe the first series of negotiations, which were unsuccessful and ended in suspension of payments, being the most relevant impasse in 1934. Section 6 explains the shift in the relationship with the United States. Section 7 explains the 1942 settlements.

## 2. An attempt to frame the story

Jorgensen and Sachs (1989) would be puzzled to frame the Mexican debt settlement. Regarding Latin American cases, they assert, perhaps erroneously, that: “It is interesting to note that the longer a debtor held out, the better it fared in the conditions of settlement.” (p.71). The following table shows the dimension of the arrangement with respect to other Latin American countries.

**Latin American Debt Settlements. Jorgensen and Sachs (1989)**

	<b>Year of settlement</b>	<b>Present value Ratio post-default</b>
Bolivia	1950	0.08
Chile	1948	0.31
Colombia	1940	0.63
Peru	1947	0.39
Mexico	1942	0.10

A conceptual frame for the events under study is a task yet to be developed. First, to have a rationale that explains why the Mexican government, as a debtor, was not able to honor its foreign debt and to reach an agreement during almost two decades. And second, what is the rationale that explains that unique and unprecedented settlement.

The spiral of war and political instability that Mexico experienced after 1911 led, among other consequences, to a deterioration of the financial system of that country and the inability to pay its external public debt. The Mexican government had learned how to build a good reputation, after foreign debt defaults, repudiation and reentrance to the international debt markets during the 19<sup>th</sup> century. Apparently, the government of that country “learned from its mistakes”, in the way portrayed by Reinhart and Rogoff (2008). However, civil war and

political instability is an unexpected cause of disruption in public finances; these also create uncertainty about who (what administration/government) would take care of the government's debt; mostly if that debt was acquired by an enemy faction.<sup>1</sup>

In literature, an accepted explanation of why governments repay their foreign debt relies in the notion that they need to maintain a good reputation, as borrowers, to be able to access lending in the future.<sup>2</sup> This argument has been contested, but it still is intuitively valid and is a consensus among practitioners. However, this idea assumes that governments are stable. For Bulow and Rogoff (1989) international lending to a less-developed country cannot be based on the debtor's reputation for making repayments. Less developed (or any) countries always have an incentive to default. They argue that loans to developing countries depend on the legal and political rights of lenders. Their argument obviates that a precondition for this is that institutions (legal and political) are relatively stable and relatively functional; this also implicitly assumes that governments are stable enough to maintain commitments.

A model that might provide insights for a rationale for the case under study is Amador (2004). The author explains that when international financial markets are quite complete, political considerations restrain a country from implementing the saving sequence that the Bulow and Rogoff argument requires. The model is built on the insight that politicians are not continuously in power. Because the nature of the political process does not assure the incumbent politician that he will be in power again tomorrow, then the politician is impatient. This impatience has already been used to explain reluctance of politicians to save. Incumbent politicians have a bias towards the present, but such bias does not affect their discount rates

---

<sup>1</sup> Sachs (1989) explains as the main origins of debt crisis bank lending behavior, global shocks, debtor's policies and trade regime.

<sup>2</sup> Eaton y Gersovitz 1981; Eaton 1990; Cole, Dow and English 1995; Reinhart and Rogoff 2014

between dates in the distant future. They are more patient in the future than they are in the present because the uncertainty on who will be in power in the future. They know however, that when tomorrow arrives, whoever is in power will be impatient in the short-run as well. This time-inconsistency can generate strong inefficiencies in the savings done by governments. The model also aims to explain two seemingly contradictory facts: Politicians don't save and they spend too much; most of the time, they pay back their debts even in the absence of punishments or clear political costs.<sup>3</sup>

However, even under a situation of shifting governments, foreign debt obligations can be maintained. Lieneau (2014) emphasizes the importance of debt continuity when a political regime changes.

A different frame is needed to explain the rationale of how and why creditors can forgive the foreign debt of a borrower that has continuously defaulted. This study bases its argument in two empirical facts of this story: a form of debt diplomacy, and more important, how geopolitical circumstances contributed to establish a debt settlement.

### **3. The point of departure in the Mexican story**

At the beginning of 1911, Mexico's foreign public debt was 441,453 pounds sterling.<sup>4</sup> Porfirio Díaz's regime, from 1876 to 1911, led to a situation of relative order in the country's foreign public debt and prestige in international markets.<sup>5</sup> But circumstances would change.

---

<sup>3</sup>

<sup>4</sup>Bazant, (1968) 1995, 174. [CONFIRMAR EN FUENTE OFICIAL Y ESTANDARIZAR CIFRA]

<sup>5</sup> There is a strand of literature studying the external debt of the Mexican government from the first loans in 1824 to 1911; see Ludlow y Marichal, 1998, who provide a chronology of relevant events during that period.

The Mexican Revolution, which broke out in 1910, initiated a new cycle of public credit. The Civil War and political instability, ever-growing throughout the decade, altered the country's economic conditions.<sup>6</sup> This is the starting point to explain this story.

After Porfirio Díaz left Mexico, the government received three international loans. The first was brokered in 1911 by the provisional president, Francisco León de la Barra, and the second by President Francisco I. Madero in 1912; each was for 10 million pounds sterling and both had an annual interest rate of 4.5%. The last loan was taken out in June 1913 by Victoriano Huerta, a warlord who deposed Madero. This was for 16 million pounds with a 6% nominal annual interest rate. Foreign public debt grew to almost 500 million pesos, including the so-called railroad debt bonds, for the railroad company, which were guaranteed by the government.<sup>7</sup> It was hoped that these loans would help control the instability facing the country.

However, the continuing civil war suspended all possibility of payment. On December 17, 1913, Victoriano Huerta presented Congress with an initiative to declare the suspension of payments, which was approved in January 1914. The suspension would last six months. But it was not possible to resume payment of the debt. Consequently, for the Mexican government, international sources of credit disappeared between 1914 and 1921, as did markets for any new issuance of bonds, and bonds circulating in the world stock exchanges had decreased in value.<sup>8</sup> Mexico was the only Latin American country that suspended

---

<sup>6</sup> See Haber, Maurer y Razo, 2003, for general economic conditions, and Anaya, 2001, for the outcomes in the financial system.

<sup>7</sup> Bazant, (1968) 1995, pp. 179-183, and Secretaría de Hacienda y Crédito Público, 1960, pp. 40-41; see also Meyer, 1991, pp. 118-128.

<sup>8</sup> Secretaría de Hacienda y Crédito Público, 1960, p. 53.



payments completely at that time.<sup>9</sup> It was only at the beginning of the 1920s that the government renewed efforts to resume negotiations surrounding public debt.

Moreover, the global environment changed significantly in those years. The First World War dramatically changed international diplomatic and economic relations, because it altered the financial positions of Great Britain, France, Germany and the United States as creditor and debtor countries. After financing the Allies in that War, the latter became the main creditor worldwide. Under these new circumstances, Mexico was definitely within the American sphere of influence.<sup>10</sup>

One concern for the US government was the status of the economic interests of US citizens in Mexico – particularly oil and agricultural companies – and payment of claims for losses caused to its citizens and properties by the Revolution.<sup>11</sup> This was no coincidence – the Mexican Constitution, passed in 1917, gave the State power over private property, weakening private property rights. Article 27 of the Constitution affected foreign investors because it declared State ownership of natural resources underground.<sup>12</sup>

The end of the First World War created the conditions needed for foreigners with investments in Mexico to resolve their outstanding issues with our country. The public debt creditors took the first steps. To this effect, in 1919 the so-called International Committee of Bankers on Mexico was created by a group of banks in the United States, England and France (Germany, which was also a creditor, was not represented). Despite the fact that 80% of bonds were held by Europeans, the Committee was controlled by the New York company J. P. Morgan and Co. One of its partners, Thomas W. Lamont, presided over the Committee from October 1921

---

<sup>9</sup>Ludlow and Marichal, 1998, p. 22.

<sup>10</sup> Riguzzi, 2010, p. 402.

<sup>11</sup>Meyer, 2000, p. 846.

<sup>12</sup> Medina, 1995, p. 88.

to November 1942.<sup>13</sup> A timely reflection of this new situation was the relocation of the Mexican Finance Agency (*Agencia Financiera Mexicana*), a financial representation of the Mexican government, from London to New York.<sup>14</sup>

The outlook of the Mexican financial system was bleak. As a result of the Revolution, the banking system had collapsed, damage had been caused to the transport infrastructure, and markets had been disarticulated by the War.<sup>15</sup>

Furthermore, payment was pending of compensation for loss of life of foreign citizens and damage to their property. But of all the problems, the one the government gave most immediate attention was public debt. A key aspect for governments that followed after 1920 was recovering foreign credit, but regaining international financial confidence first required an agreement to be reached regarding recommencement of payment of the debt.<sup>16</sup>

#### **4. The beginning of a difficult path for negotiations**

In 1921, the government of Álvaro Obregón, a warlord, began a new phase of negotiations with foreign creditors. Mexico needed access to new loans to finance a reconstruction process. It was therefore urgent for Obregón that his government be recognized by European countries, and particularly by the United States. This wasn't easy; on the contrary, it was complicated by the decisions the administration took on tax matters.<sup>17</sup>

---

<sup>13</sup>Bazant, (1968) 1995, pp. 190-191.

<sup>14</sup>Meyer, 1991, p. 393; Riguzzi, 2010, p. 402; and Bazant, (1968) 1995, p. 221.

<sup>15</sup>See Haber, Maurer y Razo, 2003; Medina, 1995, p. 85; Suárez Dávila, 1988, pp. 350-353.

<sup>16</sup>Medina, 1995, pp. 87-88.

<sup>17</sup>Medina, 1995, pp. 89.

Furthermore, the US governments took a hard line during most of the 1920s. This started with the Democrat President Woodrow Wilson, and was continued and toughened even further by the Republican administrations of Warren G. Harding and Calvin Coolidge. The first step that Washington took to pressure the Mexican government and satisfy US citizens' claims in Mexico was to condition diplomatic recognition on first reaching a formal agreement regarding each of the outstanding issues (regarding claims).<sup>18</sup> These problems became the central themes of the binational agenda. The British, for their part, had strong economic interests in Mexico. Although they adopted a tougher stance than the Americans in terms of their claims, they let the United States representatives to lead their position with Mexico.

When Obregón's government took office, the situation of public funds was precarious. To gather resources, the government created two taxes in order to ensure payment for future debt maturities.<sup>19</sup> The first was a tax on the sale of rural properties.<sup>20</sup> The second was a tax on oil: on June 7, 1921, the government issued a decree that established a special tax on exports of oil and its derivatives, which worsened relations with oil companies.<sup>21</sup> The oil companies protested but yielded to the government. The companies thus held an agreement, at which it was settled that the tax would be covered by foreign debt bonds.<sup>22</sup> However, the banker Lamont managed to get Mexico to cancel the agreement with the oil companies in February 1922.<sup>23</sup>

---

<sup>18</sup>Meyer, 1981b, 154-155; and Meyer, 1991, pp. 318-319; Hans Werner Tobler, 1997, pp. 463-481

<sup>19</sup> Pani, 1926, pp. 99-100.

<sup>20</sup>Medina, 1995, pp. 89.

<sup>21</sup>Meyer, 1981b, p. 176.

<sup>22</sup> Bonds "se aceptarían al 100% de su valor nominal mientras las compañías los adquirirían en el mercado de Nueva York al 50% o 40% de ese valor". Meyer, 1981b, p. 177.

<sup>23</sup>Decree of februray 21 1922. Bazant, (1968) 1995, p. 193.

The Minister of Finance, Adolfo de la Huerta, initiated new negotiations with bankers that culminated in the De la Huerta-Lamont agreement, signed on June 16, 1922. With this agreement, the Mexican government pledged that as of January 1, 1923, it would set up a fund for payment of interest over a period not to exceed five years. An initial installment of 30 million gold pesos (*pesos oro*) was set up for the first year, increasing by five million pesos annually. The payment of overdue capital would be covered after 1928.

All the oil export taxes would be set aside to put together this sinking fund.<sup>24</sup> In addition, a new levy of 10% would be charged on the gross income of railroad companies and all their profits. Besides, the old debt remained intact. With this agreement, all the foreign public debt was converted from sterling pounds to US dollars.<sup>25</sup>

In that agreement, the total public debt was increased by the addition of the railroad debt (known as *Deuda Ferrocarrilera*, 367,648,219 pesos) and the railroad bonds that had previously been guaranteed (137,929,122 pesos). That gave a total railroad debt of 505,577,441 pesos – almost half of Mexican debt. In addition to incorporating the liabilities of the National Railroads (*Ferrocarriles Nacionales*) into the public debt, the Mexican government was obliged to return the railroads seized in 1914, during the Civil War, to the private companies.<sup>26</sup>

The agreement also included bonds from the Loan Fund for Irrigation and Agricultural Development Works (*Caja de Préstamos para Obras de Irrigación y Fomento de la Agricultura*), which were unconditionally guaranteed by the federal government.<sup>27</sup>

---

<sup>24</sup>Decree of June 7 1921.

<sup>25</sup> Secretaría de Hacienda y Crédito Público, 1960, pp. 54-55.

<sup>26</sup> Secretaría de Hacienda y Crédito Público, 1960, p. 55.

<sup>27</sup> This fund was established to resolve problems with creditors in agricultural activities, and it was nationalized June 2 1917, Pani, 1926, pp. 106-107.

Therefore, public debt increased from 667,467,826 pesos to 1,037,116,145 pesos (plus 414,621,442 pesos that corresponded to the payment of interest). In summary, the total debt was 1,451,737,587 pesos. In addition, Lamont secured the representation of bondholders, reaching 90% of bank bonds and 98% of railroad bonds.<sup>28</sup>

The Mexican Congress opposed the agreement for two reasons. First, because it surpassed the country's capacity to pay. And second, because they considered it inconvenient to incorporate railroad debt. However, the agreement was approved by decree on September 29, 1922.<sup>29</sup>

Obregón's government was recognized by Washington as a result of the signing of a binational agreement, known as the *Bucareli Agreements*, in August 1923. These agreements limited the government's ability to affect oil companies, as well as protected American landowners. The agreements also set up two claims conventions: a special commission to review complaints proceeding from the Revolution (between 1910 and 1920), and another general one to examine mutual claims between 1868 and 1927.<sup>30</sup> With this agreement, the Mexican government managed to normalize diplomatic relations with the United States, France, Italy and Belgium. Britain refused to recognize Obregón, a position that changed in September 1925 when it agreed to resume diplomatic relations with Mexico.<sup>31</sup>

The 1924 presidential succession pitted the warlords who had risen from the Revolution against each other. It was a military rebellion that cost the public purse 43.2 million pesos.<sup>32</sup> This economic bloodletting and the refusal of the Committee of Bankers to grant the

---

<sup>28</sup>Bazant, (1968) 1995, pp. 194-199.

<sup>29</sup>Secretaría de Hacienda y Crédito Público, 1960, pp. 55-56.

<sup>30</sup>Meyer, 1998, p. 237. See also Alberto J. Pani, 1936, pp. 279-285.

<sup>31</sup>Meyer, 1991, pp. 33, 344, 375, 398ss y 412.

<sup>32</sup> See Medina, 1995, pp. 91-92; Bazant, (1968) 1995, pp. 199-200; Garcíadiego, 1999, pp. 29-30.

government an advance of 30 million pesos guaranteed by the oil production tax obliged President Obregón to suspend payment of the debt by means of a decree on June 30, 1924.<sup>33</sup> With this decision, Obregón handed down the problem to his successor.

## **5. The Pani-Lamont Amendment**

The new President, Plutarco Elías Calles, and his Minister of Finance, Alberto J. Pani, sought to restore public finances and reduce administrative expenditure.<sup>34</sup> The plan reduced the fiscal deficit from 58 million pesos in 1923 to 23 million in 1924 and it almost balanced out the following year. This situation made possible the establishment of a central bank, the *Banco de México*, in 1925. Likewise, government development banks were established, like the National Bank for Agricultural Credit (*Banco Nacional de Crédito Agrícola*) and the National Program for Roads and Irrigation Works (*Programa Nacional de Caminos y Obras de Irrigación*), both in 1926. That same year, payment of foreign debt resumed.<sup>35</sup>

The last suspension of debt payments allowed the Mexican Treasury to clean up its finances and balance its budgets. This enabled the government to set out negotiations regarding foreign debt between Pani and Lamont. Both parties agreed to accept some amendments and additions to the 1922 agreement. On October 25, 1925, the Mexican government and the bankers reached a new agreement, known as the “Pani-Lamont Amendment”, based on which Mexico restarted debt payments in 1926.<sup>36</sup>

---

<sup>33</sup>Bazant, (1968) 1995, p. 200.

<sup>34</sup>Para mayor información sobre la propuesta hacendaria véase, Pani, 1926.

<sup>35</sup>Suárez Dávila, 1988, p. 363.

<sup>36</sup>Pani, 1926, pp. 103-104.

On that occasion, Mexico gained several advantages through the negotiations, reducing the amount of the debt and increasing the government's financial power through the separation of the *Deuda Ferrocarrilera* from the public debt and exchange of bonds for the Loan Fund for Irrigation for public debt bonds.<sup>37</sup>

The Mexican government negotiated that the loans obtained in 1924 and 1925, which came to 75 million pesos, would be paid from 1928 and liquidated in deferred payments over eight years, a period "during which they will be liquidated according to a progressive scale of repayments and with an annual interest rate of 3% on outstanding amounts, incurred from the date upon which payment is due".<sup>38</sup> The government also pledged to return the railroads to the companies, which would take over management and payment of the debt.<sup>39</sup> Regarding the Loan Fund for Irrigation, which was in the process of liquidation due to default of payment by plantation owners of what they had been lent, "the government would assume the debts, and in exchange the Fund would relinquish its rights to land, mortgages and property to the former".<sup>40</sup> This turned out to be to the government's advantage, because it could dispose of assets that were subject to various levies.<sup>41</sup>

As such, Mexican public debt reduced from 1,562,838,348 pesos to 998,217,794 pesos by December 31, 1925.<sup>42</sup> Moreover, Mexico retained the collateral of the oil export tax. This

---

<sup>37</sup>Secretaría de Hacienda y Crédito Público, 1960, p. 58; It managed to separate railroad debt from the public debt, except for interest corresponding to the period from 1923 to 1925 (an amount of 63,964,674 pesos). According to Pani, this agreement relieved Mexico of "toda responsabilidad sobre las obligaciones ferrocarrileras no garantizadas por el [gobierno] originalmente y estas obligaciones importaban, por capital e intereses atrasados, nada menos que \$671 236 456.11". Pani, 1926, p. 105

<sup>38</sup>Pani, 1926, p. 104.

<sup>39</sup>Secretaría de Hacienda y Crédito Público, 1960, p. 59.

<sup>40</sup>Bazant, (1968) 1995, p. 203.

<sup>41</sup>Secretaría de Hacienda y Crédito Público, 1960, p. 59.

<sup>42</sup>Bazant, (1968) 1995, p. 204.

was strategic by the Mexican government, because it divided the bankers and the oil companies and pitted them against each other.<sup>43</sup>

In 1926, debt service payments resumed. However, once again the government was unable to meet its financial obligations due to a significant drop in trade balance income and the decrease in oil extraction and export, which had a negative impact on taxes on production and export.<sup>44</sup> In light of this economic situation, Mexico was just able to pay the debt service but was forced to suspend payments temporarily in 1928. But in that year, the government was able resume debt service, which rose to 77 million pesos. Other payments derived from the national debt – approximately 100 million pesos and a third of the government's regular income – were added to this.<sup>45</sup> This again hindered the government's capacity to pay.

## **6. The Montes de Oca-Lamont Agreement**

By July 1, 1929, public debt rose to 1,089 million pesos, of which 656.6 million corresponded to capital and 443.3 million to outstanding interest.<sup>46</sup> In light of the delays of payment by the government, the parties entered into negotiations once again. On July 25, 1930, the Minister of Finance Luis Montes de Oca signed the Montes de Oca-Lamont Agreement. In that agreement, they approved a single emission of bonds for 267,493,240 dollars, divided into

---

<sup>43</sup>Bazant, (1968) 1995, p. 203.

<sup>44</sup> Suárez Dávila, 1997, p. 366.

<sup>45</sup>Bazant, (1968) 1995, pp. 204-205. [CONTRASTAR CON DOC OFICIAL]

<sup>46</sup>Excluded payments made between 1923 and 1927; Bazant, (1968) 1995, p. 210.



two series of similar amounts payable over a term of 45 years, which would be set aside to exchange the government's debt bonds.<sup>47</sup>

However, the monetary problems that affected the gold standard worldwide, as well as the persistent economic crisis that erupted since 1929, prevented Mexico from complying with the agreement. For this reason, the President at the time, Pascual Ortiz Rubio, decided not to submit the agreement to the Mexican Congress.<sup>48</sup>

In 1931, Ortiz Rubio authorized his Finance Minister, Montes de Oca, to sign a supplementary agreement with the International Committee of Bankers, modifying the previous one. The agreement was signed on January 29, 1931. It was agreed that the new issuance and payment to bondholders would be postponed for two years, and it also stipulated that during this period the government would deposit in Mexico, in silver pesos, the approximate value of the debt service in gold that had been pledged the previous year.

On January 1, 1933, whatever the exchange rate, the funds would be converted into dollars and the Mexican government would cover the difference, if needed.<sup>49</sup> But nor was the Mexican government able to comply with this commitment once more, due to the global economic crisis which affected the balance of payments. Once again, Mexico was forced to suspend payment of the debt through the Decree of January 21, 1932, canceling the 1931 agreement.<sup>50</sup>

By 1933, Mexico, the Soviet Union and Great Britain were part of a list of countries that had suspended payment of their foreign debt. In part, this was a result of the Great Depression. Toward the end of that same year, British holders of Mexican bonds had not lost hope of

---

<sup>47</sup>Secretaría de Hacienda y Crédito Público, 1960, p. 60.

<sup>48</sup>Secretaría de Hacienda y Crédito Público, 1960, p. 62.

<sup>49</sup>Bazant, (1968) 1995, p. 216.

<sup>50</sup>Secretaría de Hacienda y Crédito Público, 1960, pp. 62-63.

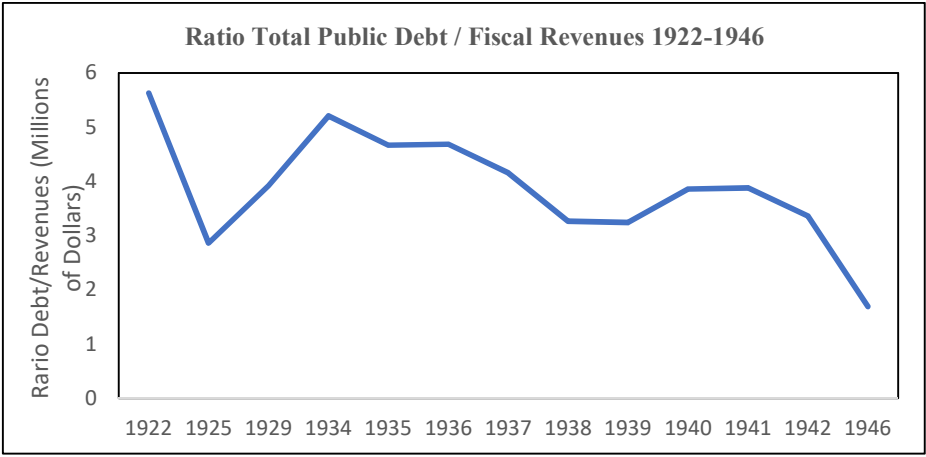
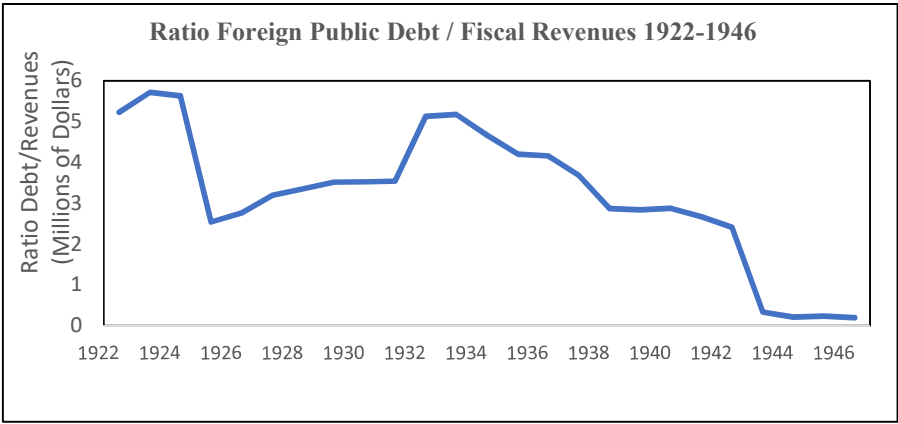
recovering their investment, just they lost their patience. They opted to negotiate independently of the International Committee of Bankers, controlled by US interests. To this end they formed The British Committee of Mexican Bondholders, a group of 500 bondholders whose investment totaled six million pounds. The British Committee established contact with the Mexican authorities. There is no evidence that they succeeded. After tensions during the negotiations, the Mexican government broke off relations with the International Committee of Bankers on May 21, 1934.

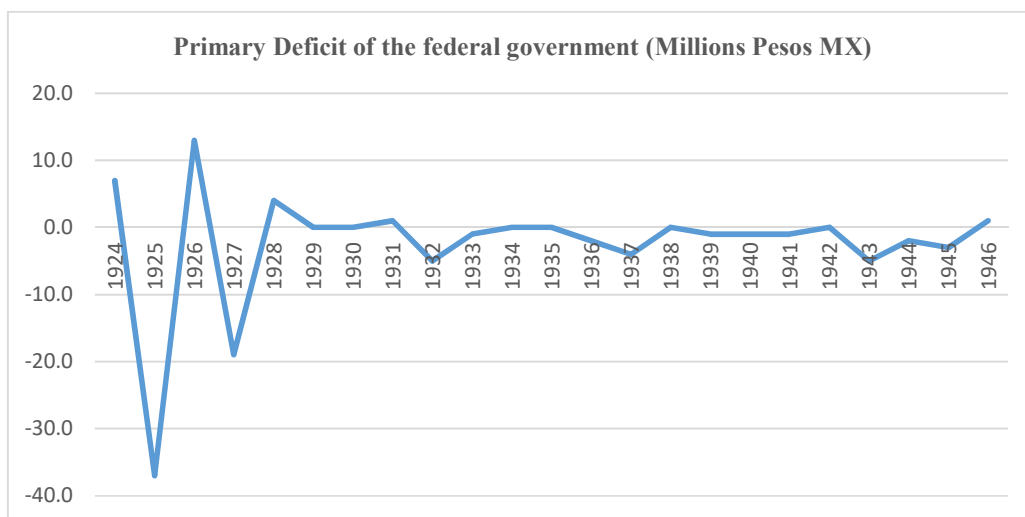
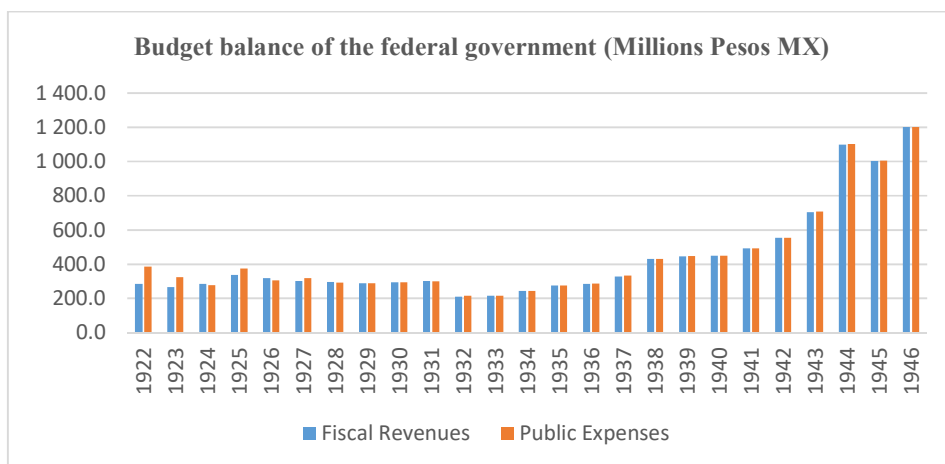
#### **7. Second stage: from the *impasse* to the beginning of bilateral agreements**

In December 1934, Lázaro Cárdenas began his Presidency of Mexico. He was undoubtedly one of the most influential leaders this country has ever had. Cárdenas brought stability to the Presidency and consolidated a system of government based on one dominant party supported by corporatist organizations. On the one hand, Cárdenas handled mass politics with a popular and anti-business discourse, supported trade unions and operated an unprecedented land redistribution policy. For the latter, he confiscated property from local and foreign landowners. In March 1938, after several confrontations, he expropriated the (mainly English and American) oil companies operating in Mexico, which was a severe blow to the interests of international corporations in the country.

On the other hand, the Cárdenas government maintained a close relationship with large business groups and particularly Mexican bankers, who provided him with support organizing the country's finances. Cárdenas himself, like his government team, also sought to maintain a harmonious relationship with the United States throughout his term in office.

Under Cárdenas regime, public finances improved, as shown in the following charts. The ratio debt/revenues of the government began to drop. Fiscal revenues and expenses increased, and the public deficit was maintained relatively stable.





The outbreak of the Second World War was a crucial event, as it opened a door of opportunity for the government. President Lázaro Cárdenas himself openly took a stance in support of the Allies and against the Axis countries. Similarly, in the later years of his administration, his government actively promoted a new shaping of Mexican trade relations with the United States.

But there were still many outstanding issues to resolve with the United States and other countries, and more problems had accumulated with this administration's policies. The debt was one of the many issues.

For example, the following negotiating groups all had outstanding historical claims: the American-Mexican Claims Commission (*Comisión General de Reclamaciones México-Estados Unidos*), which operated from 1924 to 1934; the British-Mexican Claims Commission (*Comisión General de Reclamaciones México-Gran Bretaña*), 1928-1932; and the French-Mexican Claims Commission (*Comisión General de Reclamaciones México-Francia*). In addition, there was railroad debt (*Deuda Ferrocarrilera*). This is without even mentioning government debt – the subject of this research. Solutions to all of them progressed slowly.

While compensation for Americans affected by the Revolution had still not been resolved, mass confiscation of land between 1935 and 1938 made the problem with regard to the United States even worse, as it impacted nearly 300 US landowners. This affected the US government's expectations as to the negotiations.<sup>51</sup> Add to these claims the grievance to the oil companies.

Another aspect that played a part in negotiations was the international silver market, in which both countries were important players. Negotiations between the Treasury Department and the Ministry of Finance started in 1936, to establish agreements to purchase silver from Mexico. These agreements in 1936 and 1937 were revealing, because they showed the concern of the Secretary of the Treasury, Henry Morgenthau, about potential infiltration of the Axis powers in Latin America, both in trade and military terms.<sup>52</sup>

---

<sup>51</sup>Riguzzi y de los Rios, 2014, pp. 284-285; Dwyer, 2008.

<sup>52</sup>Riguzzi y de los Rios, 2014, p. 286; Suárez Aranzolo, 1977.

The bilateral relationship was changing drastically. For example, two decades beforehand, during the First World War, tensions between Mexico and the United States were exacerbated; at its worst point in 1914, American troops occupied the port of Veracruz. But with the emergence of the Second World War, the relationship was redefined. This was partly a result of Roosevelt's government's concern for the southern flank – principally California and the Pacific area – as well as concern about Fascist interference in Latin American countries. Another factor was the Mexican government's recognition that such opportunities were important for the country.<sup>53</sup> The literature on diplomatic events revolving around these developments is abundant.<sup>54</sup>

After Lázaro Cárdenas finished his term in office in 1940, President Manuel Ávila Camacho continued his politics. In diplomatic matters, Ávila Camacho took a more aggressive stance towards the Axis powers. The rest of the political establishment, including powerful leftist labor leaders, also endorsed the alliance with the United States. In this context, as a signaling that everything was under control, the then ex-President Cárdenas became head of the Pacific Military Region and subsequently the Minister of National Defense (*Secretario de la Defensa Nacional*).

From 1941, cooperation mechanisms were activated with greater intensity between the two countries, including on issues relating to trade, the military and international law. Just before the Japanese attack on Pearl Harbor in December 1941, the two governments reached a settlement to form an alliance between their countries and to normalize the relations and outstanding problems from years beforehand.

---

<sup>53</sup>Riguzzi y de los Rios, 2014, p. 312.

<sup>54</sup>Riguzzi y de los Rios, 2014 summarize some of the most relevant literature.

In light of the attack on Pearl Harbor, the Latin American countries (except Argentina and Chile) reached a consensus at the Rio de Janeiro Conference in January 1942 to break off diplomatic relations with the Axis Nations. Mexico declared war on the Axis in May 1942.<sup>55</sup> In this context, Roosevelt visited Mexico in 1943 – the first visit by a US President.

On November 19, 1941, Mexico and the United States signed the *Good Neighbor Agreement*.<sup>56</sup> With this agreement, the Mexican government pledged to pay 40 million dollars to settle the general and special claims, and claims for damages and agricultural expropriation in particular. For its part, the United States agreed to grant Mexico two loans: one for 40 million dollars to create an exchange rate stabilization fund for the peso (against the dollar), and the other for 20 million dollars to straighten out the transport system. Finally, it committed to resume monthly purchases of silver from Mexico. In the case of the oil dispute from the 1938 expropriation, they agreed to set up a commission to assess the confiscated property and determine the terms of compensation. A commitment to negotiate a trade agreement was also agreed.<sup>57</sup>

An interesting anecdote is that Eduardo Suárez, the Minister of Finance, appointed Salvador Ugarte to begin negotiations for the trade agreement in 1941. Ugarte was a renowned banker in Mexico, close to Suárez. His American counterpart was Nelson Rockefeller, who was then a young civil officer in the Department of State.<sup>58</sup> Rockefeller was the Coordinator of Inter-American Affairs.<sup>59</sup> In his memoirs, Suárez notes that the deep friendship that formed

---

<sup>55</sup>Riguzzi y de los Ríos, 2014 p. 314.

<sup>56</sup>Suárez Dávila, 1988, p. 381.

<sup>57</sup>Meyer, 2000, p. 879; y Meyer, 1981b, pp. 388-389; Riguzzi y de los Ríos, 2014, cuadro 10.

<sup>58</sup>Suárez Aranzolo, 1977, pp. 265-266.

<sup>59</sup>Rockefeller headed the Office of Inter-American Affairs for most of its existence. See Cramer and Prutsch, 2014.

between the two men streamlined negotiations. But President Roosevelt's decisiveness was instrumental for official approval.

The trade agreement, signed in December 1942, was important as it turned Mexico into a US supplier of raw materials during the war. The treaty not only formalized the trading partnership between the two countries, but it was also a trigger for future trade agreements in the bilateral relationship.

Likewise, and hand in hand with the negotiations for this agreement, the Bracero Program was signed in August 1942 to transfer labor from one country to the other. This program would initiate a completely unexpected, nevertheless significant, cycle in the future bilateral relationship.

An important actor in the negotiations was Eduardo Suárez, who was the Minister of Finance under Presidents Lázaro Cárdenas and Manuel Ávila Camacho. Suárez was appointed Minister of Finance on June 18, 1935. Suárez had gained experience of international negotiations throughout his career. He had participated in the British-Mexican Claims Commission since 1928 and the French-Mexican Claims Commission in 1930, and he was head of the Mexican Delegation to the League of Nations in 1932. Another important experience was negotiating the debt with the International Committee of Bankers. That path would help him to finally resolve the government's debt.

## **8. Negotiation of the debt for the 1942 and 1946 agreements**

During his stay in New York in 1932, for the trial of a 6.5-million-dollar fund held by the International Committee of Bankers, Eduardo Suárez realized that it was easy “to purchase Mexican bonds on the New York Stock Exchange for ridiculous prices, completely



discredited by virtue of the several suspensions in payment”.<sup>60</sup> To that end, he asked his US lawyers on the case to advise him. He also received support from his friend Gustave Galopin, a Swiss man who trained him on the mechanics of the Stock Exchange and put him in contact with brokers. He then ran an experiment and purchased “some Mexican bonds at the price of one dollar cent per bond with a face value of 100 dollars, with coupons for overdue interest that were worth the same”.<sup>61</sup> In 1934, convinced of the feasibility of this transaction, Suárez advised Marte R. Gómez (then Minister of Finance) that the Ministry and the *Banco de México* should purchase these bonds. But he warned that the deal should be done with complete discretion to avoid speculators beginning to invest in these bonds and drive up their price.<sup>62</sup>

Once appointed Minister of Finance in 1935, Suárez continued to purchase bonds through the *Banco de México* and employed several brokers from the New York Stock Exchange for this purpose. Suárez subsequently made the *Banco de México*, through the *Chase National Bank* (its correspondent in New York), propose to bondholders that the bank would pay ten dollar cents per 100-dollar bond with all its coupons. Plenty of bondholders accepted the proposal.<sup>63</sup>

After draining the market of bonds that were held by investors as well as speculators, Suárez decided to resume relations with the International Committee of Bankers. For this, it also helped that the Court of Appeals of the State of New York overturned a judgment in Mexico's

---

<sup>60</sup>Suárez Aranzolo, 1977, p. 267.

<sup>61</sup>Ibid.

<sup>62</sup>Suárez Aranzolo, 1977, p. 266.

<sup>63</sup>Suárez Aranzolo, 1977, p. 267.

favor relating to 6.5 million dollars that the International Committee of Bankers had retained.

The Court instructed the Committee to distribute the funds among bondholders.<sup>64</sup>

When talks resumed between the Ministry of Finance and the International Committee of Bankers,<sup>65</sup> Suárez set out two proposals for a new agreement to Lamont. First, he requested that the bonds the Committee had retained be used to help Mexico pay its foreign debt commitments, and that only bondholders who abided by this rule would be eligible to enter the agreement. Second, he suggested that the agreement exclude “bondholders who were in Central Europe, dominated by the Axis countries [...], in accordance with the recommendation of the 1942 International American Conference on systems of economic and financial control”.<sup>66</sup> In this way, Mexico rid itself of “payment of bonds with a nominal value of several million dollars”. The government estimated that there were Mexican bonds with a nominal value of 50 to 60 million dollars in continental Europe dominated by the Axis countries. That's why it was “necessary to avoid that any adjustment and payment agreement benefit the aggressor nations”.<sup>67</sup>

Moreover, Suárez reminded Lamont that, since the 1932 Montes de Oca-Lamont Agreement, the then US ambassador, Dwight Morrow, had declared to him “that it was completely unfair and inappropriate, both for the Mexican government and for bondholders, to enter into an agreement that would be beyond Mexico's capabilities to comply with”. As a result, Mexico was able to pay the foreign debt with the following conditions: full write-off of interest up to the date of signing, and conversion of the principal of the bonds to pay one peso for every

---

<sup>64</sup>Suárez Aranzolo, 1977, p. 267 y Bazant, (1968) 1995, p. 217.

<sup>65</sup>[FECHA EXACTA]

<sup>66</sup>Suárez Aranzolo, 1977, pp. 250-252.

<sup>67</sup> Bazant, (1968) 1995, p. 222.

one US dollar. Moreover, it made it a requirement for holders to present their bonds for registration.<sup>68</sup>

In his memoirs, Suárez said that it was very hard work to convince Lamont, but he eventually agreed because the United States had already entered the war. Lamont undertook to persuade US and English bondholders, but not the French. In order to persuade the French, he recommended that Suárez ask Agustín Legorreta, the Director of the Banco Nacional de Mexico, to go to Paris and use “the great influence he had at the Banque de Paris et des Pays-Bas” to get them to accept the Mexican government's proposal. Suárez spoke with Legorreta, who agreed to meet with the French. The mission was successful, because Lamont told Suárez that French bondholders approved the agreement as proposed by the Minister of Finance.<sup>69</sup>

The Agreement was finally signed on November 5, 1942, and “established the basis for the adjustment and payment of 'direct foreign debts'”. For the 1922 Convention, the Committee was composed of American, English, French, Swiss, Dutch and German representatives. However, due to the wartime context, only the American, English and Swiss divisions attended this convention.<sup>70</sup>

This convention proposed that Mexico pay one peso for every dollar, which represented a write-off of capital. In this way, the government's direct liabilities reduced from 230,631,974 dollars to 230,631,974 pesos, with the caveat that it would be paid at the holders' discretion in dollars or pesos at the exchange rate of 4.85 pesos per dollar.<sup>71</sup>

---

<sup>68</sup>Secretaría de Hacienda y Crédito Público, 1960, p. 65.

<sup>69</sup>Suárez Aranzolo, 1977, pp. 268-269.

<sup>70</sup>Secretaría de Hacienda y Crédito Público, 1960, p. 64.

<sup>71</sup>Secretaría de Hacienda y Crédito Público, 1960, p. 65.

In short, the 1942 agreement reduced Mexico's foreign debt from 509,516,220 dollars in capital and interest to 49,560,750 dollars, i.e. less than 10% of the original amount. The bonds purchased by Mexico in the market should be deducted from this figure.<sup>72</sup> The debt was reduced further by subtracting the so-called enemy bonds for the amount of. In the end, Mexico's actual debt decreased from 49.5 to 43 million dollars.<sup>73</sup>

Finally, the government pledged to submit a proposal for settling the consolidated railroad debt.<sup>74</sup> However, the agreement to settle the debt would not be signed until 1946.

Unlike the US bondholders, who accepted the agreement, the British considered the settlement too advantageous for Mexico.<sup>75</sup> This disagreement was clearly reflected by the British press. In the midst of this disagreement, Eduardo Villaseñor, Director of the Banco de México, traveled to London to ensure fulfillment of the debt settlement, which the Mexican Senate approved on December 24.<sup>76</sup>

In an editorial in 1943, the newspaper *Financial News* stated that “Mexico's position is stronger today than it was decades ago [which is why] there may be a case for the country paying more to bondholders abroad”. The editorial revealed that demands had already been made in the House of Commons, but that the Chancellor of the Exchequer was waiting for a formal offer to bondholders to proceed. The English government's attitude acknowledged the

---

<sup>72</sup>Suárez Aranzolo, 1977, p. 270.

<sup>73</sup> Bazant, (1968) 1995, p. 227. The enemy bonds were estimated to be originally equivalent to 29,760,000 dollars.

<sup>74</sup>Secretaría de Hacienda y Crédito Público, 1960, p.66.

<sup>75</sup>El Nacional, 20 de octubre de 1943, DO9081 (1941-1949), Deuda Exterior: México, Archivos Económicos, Fondo Biblioteca Miguel Lerdo de Tejada, SHCP.

<sup>76</sup>El Nacional, 20 de octubre de 1943, El Nacional, 24 de diciembre de 1943, DO9081 (1941-1949), Deuda Exterior: México, Archivos Económicos, Fondo Biblioteca Miguel Lerdo de Tejada, SHCP.

“fact that Mexico is an ally of England against the Nazis, coupled with the Committee of Bankers in New York having already accepted the offers of settlement and liquidation”.<sup>77</sup>

For the liquidation of capital, the agreement set out that the “secured” debts should be repaid no later than January 1, 1963, and the “unsecured” debts by January 1, 1968. It is worth mentioning that the agreement would only be implemented a year after it was signed. To this end, they drew on the services of banks in Mexico, New York and London.

However, the war prevented solving existing obligations in continental Europe. After the conflict ended, there was interest in extending the agreement's offer to bondholders residing in that area.<sup>78</sup>

On February 20, 1946, the government made an offer to railroad company bondholders, via the International Committee of Bankers, for their adjustment and payment. There was a similar reduction in that agreement to the 1942 one. The debt was reduced to 233,112,385 pesos, which was equivalent to 48,064,409.28 dollars. The interest owed between 1914 and 1946 was minimized and the maximum term for the government to repay the bonds in full ended on January 1, 1975.<sup>79</sup>

In 1960, the Mexican government announced the early repayment of all those bonds, bringing a chapter in Mexico's history to a close.

---

<sup>77</sup>Novedades, 12 de agosto de 1943, El Nacional, 20 de octubre de 1943, DO9081 (1941-1949), Deuda Exterior: México, Archivos Económicos, Fondo Biblioteca Miguel Lerdo de Tejada, SHCP.

<sup>78</sup>Secretaría de Hacienda y Crédito Público, 1960, pp. 66-67.

<sup>79</sup>Secretaría de Hacienda y Crédito Público, 1960, pp. 67-69.



## References

- Amador, Manuel (2004). "A Political Model Sovereign Debt Repayment," 2004 Meeting Papers 762, Society for Economic Dynamics.
- Bazant, Jean, (1995 [1981]) *Historia de la deuda exterior de México, 1823-1946*, México, El Colegio de México.
- Bulow, Jeremy and Kenneth Rogoff (1989) "LDC Debt: Is it Forgive to Forget?" *American Economic Review*, 79, 43-50.
- Cabrera Acevedo, Lucio, (1995) "Algunas notas sobre las reclamaciones por daños causados por a la revolución", en *La Suprema Corte de Justicia de la Nación durante los años constitucionalistas (1917-1920)*, Tomo 1, México, Poder Judicial de la Federación. <http://biblio.juridicas.unam.mx/libros/libro.htm?l=751>
- Cramer, Gisela and Ursula Prutsch (2014) ¡Américas unidas!: Nelson A. Rockefeller's Office of Inter-American Affairs (1940-46) Iberoamericana Vervuert.
- Cole, Harold, James Dow and William English (1995). "Default, Settlement and Signalling: Lending Resumption in a Reputational Model of Sovereign Debt". *International Economic Review*, Vol 36 No. 2.
- Eaton, Jonathan (1990) "Debt Relief and International Enforcement of Loan Contracts" *Journal of Economic Perspectives*, 4, 43-56.
- Eaton, Jonathan and M. Gersovitz (1981) "Debt with Potential Repudiation; Theoretical and Empirical Analysis". *Review of Economic Studies*.
- Garciadiego, Javier, (1999) "Del antiguo régimen al nuevo régimen", en Archivo General de la Nación, *México en el siglo XX*, Tomo 1, México, Secretaría de Gobernación, pp. 18-41.
- Garciadiego, Javier, (2000) *Rudos contra científicos. La Universidad Nacional Durante la revolución mexicana*, México, El Colegio de México
- Garciadiego, Javier, (2006) "Manuel Gómez Morin en los años veinte: del abanico de oportunidades al fin de las alternativas", en *Cultura y política en el México posrevolucionario*, México, INEHRM, pp. 345-377.
- Gille, Geneviève, (1998) "Los capitales franceses y la expedición a México", en Lodlow, Leonor y Carlos Marichal, coords., *Un siglo de deuda pública en México*, Instituto Mora, pp.
- Hernández Chávez, Alicia, (1979) *Historia de la Revolución Mexicana. La mecánica cardenista*, Vol.16, México, El Colegio de México.
- Krauze, Enrique, (1976) *Caudillos culturales en la Revolución Mexicana*, México, Siglo XXI Editores.
- Liehr, Reinhard, (1998) "La deuda exterior de México y los *merchant bankers* británicos, 1821-1860", en Lodlow, Leonor y Carlos Marichal, coords., *Un siglo de deuda pública en México*, Instituto Mora, pp.
- Lienau Odette (2014) *Rethinking Sovereign Debt Politics, Reputation, and Legitimacy in Modern Finance*. Harvard University Press.

- Ludlow, Leonor y Carlos Marichal, Coords., (1998) *Un siglo de deuda pública en México*, Instituto Mora.
- Loyola Díaz, Rafael, (1991) *El ocaso del radicalismo revolucionario. Ferrocarrileros y petroleros: 1938-1947*, México, UNAM-IIS.
- Medina, Luis, (1995) *Hacia el nuevo Estado. México, 1920-1994*, México, FCE.
- Meyer, Jean, (2010) *La revolución mexicana*, México, trad. de Héctor Pérez-Rincón G., México, Tusques Editores.
- Meyer, Lorenzo (1981a) “El Estado mexicano contemporáneo”, en *Lectura Política Mexicana*. México, Colegio de México, pp. 5-36.
- Meyer, Lorenzo, (1981b) *México y los Estados Unidos en el conflicto petrolero, 1917-1942*, México, El Colegio de México.
- Meyer, Lorenzo, (1986) “El primer tramo del camino”, en *Historia General de México*. Vol. 2, México, El Colegio de México, pp.
- Meyer, Lorenzo, (1991) *Su Majestad Británica contra la Revolución Mexicana, 1900-1950*, México, El Colegio de México.
- Meyer, Lorenzo, (1998) “Charles B. Warren”, en Ana Rosa Suárez Arguello, coord., *En el nombre del Destino Manifiesto. Guía de ministros y embajadores de los Estados Unidos en México, 1825-1993*, México, Instituto Mora-Secretaría de Relaciones Exteriores, pp. 233-240.
- Meyer, Lorenzo, (2000) “La institucionalización del nuevo régimen” en *Historia General de México*, México, El Colegio de México.
- Nava, Guadalupe, (1998) “Origen y monto de la deuda pública en 1861”, en Lodlow, Leonor y Carlos Marichal, coords., *Un siglo de deuda pública en México*, Instituto Mora, pp.
- Pani, Alberto J., (1926) *La Política Hacendaria y la Revolución Mexicana*, México, Editorial Cvltvra.
- Pani, Alberto J., (1936) *Mi contribución al nuevo régimen (1910-1933)*, México, Editorial Cvltvra. <http://biblio.juridicas.unam.mx/libros/6/2823/18.pdf>
- Pani, Alberto J., (1949) *La cuestión internacional Mexicano-Americana durante el Gobierno del general don Álvaro Obregón*, México, Editorial Cultura.
- Pérez Hernández, Lorena, (2000) “Prensa y Petróleo: revisión hemerográfica de los Convenios de abril de 1942, Tesis de Licenciatura en Historia, México, UNAM: Facultad de Filosofía y Letras.
- Pozas Horcasitas, Ricardo, (1984) “La consolidación del nuevo orden constitucional en México (1929-1940)”, en Pablo González Casanova, coord., *América Latina. Historia de Medio Siglo*. Vol. 2, México, Siglo XXI, pp. 259-327.
- Rodríguez O., Jaime E., (1998) “Los primeros empréstitos mexicanos, 1824-1825”, en Lodlow, Leonor y Carlos Marichal, coords., *Un siglo de deuda pública en México*, Instituto Mora, pp. 53-80.



Secretaría de Hacienda y Crédito Público, (1960) *La vieja deuda exterior titulada de México*, México, SHCP.

Recio Cavazos, María Gabriela, (2008) “El abogado y la empresa: una mirada al despacho de Manuel Gómez Morin, 1920-1940”, Tesis de Doctorado, México, El Colegio de México.

Riguzzi, Paolo, (2010) “México y la economía internacional, 1860-1930”, en *Historia Económica General de México*, México, El Colegio de México.

Riguzzi, Paolo y Patricia de los Rios (2014) *Las relaciones México-Estados Unidos 1756-2010*. Tomo II ¿Destino no manifiesto? UNAM – Secretaría de Relaciones Exteriores.

Sachs, Jeffrey, ed. *Developing Country Debt and Economic Performance*, University of Chicago Press.

Sepúlveda, César, (1953) *Las relaciones diplomáticas entre México y los Estados Unidos en el siglo XX*, Monterrey, [s/e].

Suárez Aranzolo, Eduardo, (1977) *Comentarios y recuerdos (1926-1942)*, Presentación de Antonio Carrillo Flores, Bosquejo Biográfico de Francisco Suárez Dávila, México, Editorial Porrúa.

Suárez Dávila, Francisco, (1977) Bosquejo Biográfico, en Suárez Aranzolo, Eduardo, *Comentarios y recuerdos (1926-1942)*, Presentación de Antonio Carrillo Flores, Bosquejo Biográfico de Francisco Suárez Dávila, México, Editorial Porrúa, pp. LIII-CXXIV.

Suárez Dávila, Francisco (1988) “Política Hacendaria y Economía Política en el México Posrevolucionario”. En: *México. Setenta y cinco años de Revolución*. Tomo I. México, Fondo de Cultura Económica, , pp. 342-444.

Torres, Blanca, (1988) *Historia de la Revolución Mexicana. México en la Segunda Guerra Mundial*, Vol. 19, México, El Colegio de México.

Turlington, Edgar (1930) *Mexico and her Foreign Creditors*. Columbia University Press. New York.

Urías Horcasitas, Beatriz, (2013) *El Nacionalismo revolucionario mexicano y sus críticos (1920-1960)*, Documento de trabajo, No. 55, Alcalá de Henares-Madrid, Universidad de Alcalá, Instituto de Estudios Latinoamericanos, pp. 1-35.

Villegas Revueltas, Silvestre, (2005) *Deuda y diplomacia. La relación México-Gran Bretaña 1824-1884*, México, Universidad Nacional Autónoma de México, Instituto de Investigaciones Históricas, (Serie Historia Moderna y Contemporánea, 42).

Tobler, Hans Werner, (1997), *La Revolución Mexicana. Transformación social y cambio político (1876-1940)*. Trad. de Juan José Utrill y Angelika Scherp. Prol. De Frederick Katz. México, Alianza.

Zabludovsky, Jaime Enrique, (1998) “La deuda externa pública”, en Lodlow, Leonor y Carlos Marichal, coords., *Un siglo de deuda pública en México*, Instituto Mora, pp. 152-189.

Zebadúa, Emilio (1994) *Banqueros y Revolucionarios*. Fondo de Cultura Económica.