negotiations in New York and Washington with the bankers and the oil companies.

Owing to the appearance of salt water in large quantities in the Toteco-cerro Azul oil district of Mexico, several companies decided to reduce production. The result was a heavy decline in the last half of July, amounting to 7,000,000 barrels from June. Depredations of bandits in the Tampico oil region called forth an order from President Obregon to mobilize all available Federal troops, who moved into the district under the command of General Sanchez. He organized a punitive expedition against the rebel Gorozave, who had been seizing oil companies' properties and threatening to destroy pipe lines if ransom were not forthcoming. Gorozave was trapped and killed and his body, riddled with bullets by Federal troops, was exhibited at Zacamixtl on July 19 as a "horrible example." Several smaller bands were defeated, and on July 29 General Sanchez announced that the entire region was clear of rebels.

A. Bruce Bielaski, former chief of the Bureau of Investigation of the United States Department of Justice, who was kidnapped near Cuernayaca on June 24 and escaped three days later, was placed under close surveillance in Mexico City, the authorities suspecting that the kidnapping was a "frame-up." Mr. and Mrs. Bielaski moved from their hotel to the American Embassy, awaiting the result of the investigation by the Cuernayaca Court. They left Mexico City on Aug. 10, and arrived at Cuernayaca the same day. Here Mr. Bielaski was to make a statement before the local judge, and was to be confronted with the testimony of Mme. Milo and Señor Barcenas, a Mexican lawyer, both of whom were with the Bielaski party at the time of the alleged kidnapping, and also of Montes de Oca, the chauffeur. The hearing followed, and resulted on Aug. 12 in the exoneration of Mr. Bielaski on the charge of collusion.

Contests for seats in the Chamber of Deputies were pouring in to the Permanent Legislative Committee, and it was stated that at least half the seats originally conceded to President Obregon's coalition or co-operative party are involved. The protests come chiefly from Independents, supported by Catholics and members of the Liberal Constitutional Party. Several newspapers predicted that two Chambers will attempt to sit as the official Congress at the opening in Sentember.

On Aug. 7 the State Department at Washington received a protest from the Mexican Government on the killing of two Mexican citizens and the beating of others in connection with the mine massacre at Herrin, Ill. The department gave its assurances that the circumstances would be thoroughly investigated.

José M. Sanchez, Governor of the State of Puebla and a member of the Chamber of Deputies, arrived in Moscow on July 11, to study conditions in Soviet Russia. Police broke up a Bolshevist demonstration in Mexico City on July 23, making the first time the Reds have been prevented from parading as they pleased. They carried flags inscribed "Communist Party of Mexico, Section of the Third International." General Pedro Almada, Chief of Police of the Federal District, in an interview said: "Bolshevism is a danger to Mexico and the world. Unless a higher authority overrules me, I will permit no Bolshevist parades in Mexico City."

Some religious disturbances marked the month. Catholic workmen and syndicalists clashed on July 26, at a factory near Queretaro, and Atanasio Ponce, leader of the Catholics, was killed. Two Protestant missionaries, both Americans, were mobbed at San Pablo, Tlaxcala, and dragged by their feet out of town. Only the interference of the authorities prevented their being murdered.

Chinese factions in Sonora have been engaging in a murderous vendetta and the Federal Government on Aug. 5 ordered the expulsion of the leaders. About 250 Chinese were arrested and confined in the State penitentiary at Hermosillo for deportation to China.

Miguel Alessio Robles, Secretary of Labor, to relieve the unemployed has urged the different State authorities to classify laborers according to lines of work, and the workers will be shifted from one State to another as conditions warrant. Eight thousand railway men paraded the streets of Mexico City on Aug. I, as a mark of sympathy with the striking railroad workers in the United States. All railroad activities, with the exception of passenger trains, were halted for an hour throughout the republic, and parades were held in many cities. A brief sympathy strike occurred in Nuevo Laredo.

Henry Ford plans the establishment of a large plant for assembling motor cars in Mexico. The Governor of Coahuila has offered land for a factory in Saltilla and exemption from taxation for fifteen years. Several other plants may be established.

Several thousand Polish Jews are to be brought to Mexico and colonized upon agricultural lands, according to a plan submitted to the Government on Aug. 9 by Paul W. Rothingberg, who has acquired a tract of 64,000 acres of land in Tamaulipas for the purpose.

General Salinas, Chief of the Mexican Air Service, on Aug. 7, opened negotiations in Washington for the purchase of aircraft from the United States Army and private manufacturers. Secretary Weeks approved the negotiations.