No matter how hard Doheny tried to make Mexican oil a vital part of the nation's war effort, he could never be certain of the government's protection without a commitment from President Wilson. While Doheny tried to create a groundswell of public support for a stronger Mexican policy by advertising the strategic importance of his business at every opportunity, he worked even harder to find a way to appeal directly to the president. Doheny and his associates already had access to a variety of government officials in Washington, including Secretary of State Robert Lansing, who were equally frustrated at Wilson's apparent antipathy to the plight of American property owners in Mexico. Yet, not even Lansing, a consistent friend to business, was willing to allow the Mexican situation to interfere with America's obligations in Europe and Wilson's primary focus.

Despite rhetorical comments to the contrary, Woodrow Wilson was not antibusiness in any real sense of the term. In fact, a review of his administration's economic policies for Latin America reveals a clear determination to bolster American influence throughout the region. During the war, the Commerce Department, in particular, went to extraordinary lengths to have American firms take over the communications, banking, and shipping businesses formerly controlled by British interests. Although these policies were criticized for being overly bureaucratic and did not receive the full support of the financial community, they were aimed at strengthening business ties with Latin America in order to promote economic growth and a healthy political environment.1
Previously, Wilson had claimed that "there is no man who is more interested than I am in carrying the enterprise of American businessmen to every quarter of the globe." Furthermore, he believed that "concessions obtained by financiers must be safeguarded by ministers of state, even if the sovereignty of unwilling nations be outraged in the process." As president, however, Wilson had to set aside this conviction in favor of his concept of political self-determination, no matter how contradictory it seemed. And, as a progressive Democrat, Wilson attacked loosely defined special interests at home and abroad. Consequently, he could not risk any policy that might make him out to be "a tool of unscrupulous businessmen."  

Given that the public opinion of oil companies was low, Wilson's political considerations were especially sensitive to the Mexican petroleum industry. Having already been stung by two failed interventions in Mexico—in 1914 and 1916—he had no desire to try again, regardless of the reason. Still, despite these obstacles, Doheny and others with business investments in Mexico continued to approach the State Department with their complaints. But in response to Wilson's apparent indifference to their plight, their methods grew increasingly oblique. They relied primarily on the services of Chandler P. Anderson, a lawyer and former counselor in the State Department, who worked as a business lobbyist in private practice. Anderson had served in every administration from McKinley's to Wilson's and was a skilled practitioner of international law and dollar diplomacy. After William Jennings Bryan resigned as secretary of state in 1915, Anderson had stepped in briefly as acting counselor to the new secretary, Robert Lansing. Unfortunately, as a Republican, Anderson was never offered a permanent post. But he remained close to both Lansing and Frank Polk, who became the counselor, and continued to work for the department on a limited basis—enough to give him access to departmental files and confidential material on Mexico. Thus, Anderson's unique position allowed him to straddle the line between private and public interests, and he served as a useful buffer between the two. In particular, he both articulated and restrained the opposition to Wilson's Mexican policy.  

Anderson's first contact with the Doheny organization came in January 1917, when he met with Harold Walker to discuss the dangers posed by the Carranza government. Subsequently, in the spring and summer of 1917, Anderson worked to stiffen the State Department's response to Mexico on behalf of several oil and mining companies. This was a crucial time, just after America's entry into the war, when Wilson was prepared to give up the protection of American investments in return for Carranza's promise.
to resist German efforts to start a conflict between Mexico and the United States. Fearing that Carranza would confiscate foreign-owned property if given the chance, Walker hired Anderson to persuade the State Department to explicitly link the sanctity of American investments with full diplomatic recognition.4

The threat of confiscation emanated from the Mexican Constitution of 1917, which represented a sharp break with the past in challenging the legitimacy of all foreign-held property and concessions, especially subsoil rights to minerals and oil. To review, the Mexican law dealing with this issue had followed the traditional Spanish interpretation that gave total control of these deposits to the crown. After independence, subsoil rights rested with the Mexican government. In 1884, the government of Porfirio Diaz adopted a new mining code to attract foreign investment which gave control over subsoil deposits to whoever owned, or controlled, the surface land. A public legal debate over the issue of nationalizing the oil lands took place in 1905 but failed to change the law. Finally, the principle of private ownership of petroleum deposits was reinforced once again by a subsequent law in 1909, although the legal authority of that decision crumbled along with Porfirio Diaz in the opening act of the revolution.5

With Carranza in power, but not unchallenged, Mexican leaders from all sides gathered in 1916 to write a new constitution. Article 27 of that document reclaimed ownership of all mineral deposits for the nation. As a statement of ideology, the antiforeign elements of the new constitution marked the apex of the rebellion against the Diaz era and struck the first blows for economic independence. The essence of Article 27 stated that the Mexican nation owned all lands within its territory and had the sole right to create, or dispose of, private property at its discretion. Existing private property was subject to regulation and to possible expropriation in the public interest. Henceforth, landowners were to be Mexican citizens by birth or naturalization, and only Mexican companies would be allowed to acquire land and obtain concessions to develop mines and oil wells. Foreign enterprises could have access to the same privileges as long as they became domestic corporations and waived their right to protection from their respective governments. Finally, foreigners would be excluded from owning land within 100 kilometers of the frontier and 50 kilometers of the coast, an area that encompassed almost the entire oil zone from Tampico to Veracruz.6

Speaking at a conference on international relations in 1920, Frederic Kellogg of the Mexican Petroleum Company described the essence of the new constitution in this way:
The situation was precisely the same as though the State of Massachusetts should come to a man who for seventeen years had owned the house in which he lived, and which he originally bought and paid for, and in the title to which there are no defects, and say to him, “We have decided to take over the ownership of your property. If you desire to do so, you may still occupy the house, but only upon condition that you pay the government such rental as we may now fix, subject to any increase hereafter that we may see fit to make, and that you comply with such other conditions as we may impose.”

To American property holders, this idea was so abhorrent that it was unthinkable. Foreign investors had been invited into Mexico by the government, and the revolutionaries had no right to infringe on former legal agreements. Such action was, they felt, an attack against the basic principles of civilization.

In taking up the oilmen’s fight, Anderson tried to see the situation from their perspective, but he was never as bellicose as most of his clients. Instead of calling for war, Anderson wanted the United States to devise a legal solution to the Mexican problem in the form of a treaty that would bar the retroactive application of the constitution. Secretary Lansing agreed with that approach and gave Anderson a free hand to work on such a document. In the end, however, Anderson fell back on the standard elements of dollar diplomacy by drafting a proposal offering Carranza a loan to be repaid out of the tax receipts on foreign-owned businesses in return for a guarantee of property rights. Additionally, to ensure Mexico’s support of the Allied effort in the war, Carranza would have to allow American military protection of the oilfields. Although Lansing agreed to these ideas in principle, he was unwilling to commit the necessary forces to make them work and did not want to provoke Carranza into a reaction that would require a military response. For these reasons, Lansing also opposed a formal loan to Mexico but said that the administration would not stand in the way of any private arrangements made with American bankers. Essentially, in Anderson’s words, Lansing wanted property owners to “find some way to acquiesce and tide the thing over for the present.”

For his part, Carranza no doubt needed money to put down local rebellions against the government and rebuild his country, but he refused to respond to American ultimatums. During the war, in fact, he deftly played the foreign powers—the United States, Great Britain, and Germany—against one another, kept his economy afloat by taxing foreign corporations and their exports, and maintained relative independence despite attempts by both Axis and Allied powers to trip him up and grab the oil
zone for themselves. In not submitting to intervention by any of the major powers or making concessions for a loan, the Mexican government “succeeded in turning the tables and in exploiting their rivalry for its own ends.”

Nevertheless, Lansing’s desire to have the oilmen take care of their own problems did not mean that the Wilson Administration could afford to completely abandon its citizens in the oil zone, so the United States Navy maintained two ships in Tampico harbor throughout the period from 1914 to 1920. Although this was not much of a military deterrent, it gave a psychological boost to the American community and kept alive the hope that more was on the way. The ships also watched over the 10 million barrels of oil stored along the river and gave limited protection to the oil flowing out to the Allies. “Their removal under any circumstances,” Harold Walker believed, “would jeopardize the whole terminal and supply.”

In reality, the commander in charge of the naval group was more or less an observer charged with evaluating the political situation but without the authority to act on what he learned. The confusion and frustration of that dilemma were aptly summarized by Captain Louis Richardson in the fall of 1917: “I know the foreign business men and their characters; also the leading Mexican military and civil officials ... I am on most friendly terms with all parties. The difficulty of forming a correct estimate is caused by the fact that each one tells you things that are not facts with the view of getting you excited and influenced in his favor or he tells you as a fact the thing that is only a day-dream. My task is to weigh all rumors, the character of the man and the personal interest or motive and try to arrive at a correct idea of what the situation really is.”

Richardson’s predicament was best illustrated by his relationship with William Green, the superintendent for Huasteca Petroleum. Having served with the United States Army in the Philippines, Green was described as “two hundred and fifty pounds of effective dynamite” who had the nerve and cunning necessary to deal with the political factions and petty bandits of the oil zone. Harold Walker once described Green admiringly as a consummate practitioner of “jungle diplomacy.” Certainly, Green was not afraid to get his hands dirty in the process and was never far from the action. When Richardson pleaded with him on one occasion to “get into the attitude of trying to help the Mexican government pacify the oil district,” Green scoffed back, “The trouble with you, Captain, is that you are honest, whereas in Mexico the crookeder you are and the better you get away with it, the more you are respected.” Though he claimed to seek authority from Doheny for every move, Green admitted there were “incon-
sistencies" in his reports to the home office. Naval intelligence officers considered him unreliable and possibly dangerous.\textsuperscript{12}

Chandler Anderson faced a similar situation in Washington, where the web of activity against Carranza was made up of representatives from an array of regional strongmen looking for any signal, and a little money, to begin a rebellion. Almost without exception, American business interests encouraged this activity to some degree in the hope that a spark might catch fire and draw the United States into the conflict. And the Americans were not alone in this desire, as Anderson recorded after a meeting in May 1917 with officials from the British Embassy and the Mexican Eagle Oil Company. The "general impression of these men," he noted, "seems to be that the great mass of the Mexican people would welcome intervention by the United States." Apparently, the British had been working on their own plans for a coup and were simply looking for a little support to put it into effect. In this instance, they hoped to set up Madero's former finance minister as the new president of Mexico. Eventually, Lord Cowdray, president of the Mexican Eagle, discouraged these efforts and fell into line behind President Wilson's lead. Afterward, Cowdray hired Anderson to lobby for the British oil interests along with his other clients.\textsuperscript{13}

By virtue of his position, Doheny never publicly advocated a specific plan for dealing with Carranza, although Anderson observed that Doheny was a "very intelligent and forcible Irishman, who in spite of his democratic politics is exceedingly outspoken in condemning the administration in its Mexican dealings." His preference, Anderson continued, "would be to have Carranza eliminated, but he realizes that the president is not likely to agree to this." Doheny approved of Anderson's plans to at least force Carranza to eliminate the objectionable provisions of the constitution as a prerequisite for recognition. In the meantime, Doheny's representatives were aware of the various intrigues afoot and did what they could to push the process along.\textsuperscript{14}

With President Wilson's mind fixed on the war in Europe, however, the United States granted full recognition to Carranza in September 1917 without demanding any of the terms that Anderson recommended. After hearing the news of this decision, Walker called Anderson to ridicule what he called Wilson's "great and good friend" appeal to Carranza. He also told him that the Mexican leader had responded to Wilson's favor with an announcement that he was going to send federal troops into the oilfields to drive out the rebels and bring the area under the control of the government. This eventuality was the oilmen's worst nightmare, and they assumed that the radical demands of Article 27 were sure to follow.\textsuperscript{15}
Moreover, Wilson's comments implied that, as a way of making up for past sins, he was finally ready to acknowledge the right of the Mexican government to handle its internal affairs as it saw fit. In a subsequent address to an audience of Mexican newspaper editors, Wilson stressed his disinterested role in the World War and said he was ready to show a similar attitude toward Mexico “by any act of friendship that you may propose. . . . Some of us, if I may say so privately, look back with regret upon some of the more ancient relations that we have had with Mexico long before our generation; and America, if I may so express it, would now feel ashamed to take advantage of a neighbor.” The problem with the Monroe Doctrine, Wilson went on to say, was that “we did not ask whether it was agreeable to you that we should be your big brother.” And although that policy offered protection from outside aggression, Wilson noted that it did nothing to protect Mexico and its neighbors from the United States. “When you reflect how wonderful a storehouse of treasure Mexico is,” the president concluded, “you can see how her future must depend upon peace and honor, so that nobody shall exploit her.”\textsuperscript{16}

Meanwhile, the situation in the oilfields was growing more chaotic and dangerous by the day. To offset the inertia in Washington and to accede to Lansing’s wishes, the oil companies had been conducting their own foreign policy designed to keep the Carranza forces at a distance. Primarily, this was the work of rebel troops under the control of Manuel Pelaez, a self-appointed protector of the oil zone, whose family leased oil lands to the Mexican Eagle Oil Company and had as much to lose from Carranza’s campaign as did the foreign operators. As one observer noted, Pelaez not only “took kindly to the oil business, he learned to take from it as well.” And from the beginning, Pelaez demanded arms and money from the oil companies in return for his protection.\textsuperscript{17}

Initially, the Huasteca Petroleum Company hoped to use Pelaez’s occupation of the oilfields as the foundation for direct intervention by the United States. In one report, Walker noted that “the company I represent has always understood the plan of the United States forces to be the immediate occupation of Tampico and the protection of the oilfields by an expeditionary force of at least 1,000 marines or soldiers” and that “our work and agreements with Pelaez have all been made with such an expedition in view.” A few months later, however, the American consul at Tampico warned the State Department that it should not read too much into this support, since “Pelaez does not pretend that he will take up arms with the United States in case of war or intervention.”\textsuperscript{18}

However, Pelaez said all the right things when he subsequently listed
the aims of his rebellion: he opposed the “idiocy” of the new constitution, derided the “insane foolishness” of Carranza’s supporters, and promised to uphold the rights of foreigners by protecting the oilfields. And even though Pelaez was committed to keeping Mexico neutral during the war, he was not inclined to prevent belligerents from using Mexican oil in the fight. This last point was the most important, since Carranza's neutrality was predicated upon treating oil as contraband. The oil producers believed that this was a clear sign that Carranza had fallen under the sway of German agents who wanted to destroy, or tie up, the oil properties in any way they could. In June 1917, Walker sent a detailed memo, “The Allies’ Oil Supplies,” to the State Department in an effort to make this point as forcefully as he could. Domestic oil production in the United States could be increased only slightly, Walker stated, while the Mexican Petroleum Company and the Mexican Eagle could double their output of 50 million barrels per year at a moment's notice “if they are only guaranteed protection of their governments.” This was becoming even more imperative, he thought, since “we have to count on the real hostility of the de facto government of Mexico, which is notoriously playing with the Germans.” Somehow, Walker concluded, they had to “make the American and British Governments see it.”

In the interim, the oil companies acquiesced to Pelaez’s demands with the full knowledge and approval of Robert Lansing. Financially, Pelaez kept himself in the field through a series of forced loans against the oil companies, which they supposedly paid under duress, but there was a dispute over whether the oil companies should, or did, supply the weapons and ammunition that he requested. Although this was not a policy anyone wanted to publicize, Lansing told Chandler Anderson in April 1917 that he was entirely willing to have Pelaez supplied with weapons “so long as the matter was not brought to the attention of the government.” Moreover, Lansing told Anderson that he “could rest assured that the Administration would not prosecute anyone who was assisting Peleyas [sic] so long as he remained friendly to the foreign interests in that region.”

For obvious reasons, the oil companies denied that they provided Pelaez such support, although the possibility that they did provides another speculative explanation for the previously mentioned stash of arms that Doheny had hidden away in the California desert. Walker at one point made this admission:

It is within the knowledge of the Counselor of the State Department that in the month of February, 1917, pressure was brought to bear upon the
Huasteca Petroleum Company from important sources, to make a shipment or shipments of rifles and cartridges to the Pelaez forces; and that the [company] would have nothing to do with such procedure without the request and consent of the State Department, and opposed the proposal for reasons then explained, principal among which was the evil effect of strengthening any Mexican rebel faction with military supplies. It did not then; it did not before; it has not subsequently, ever delivered arms or munitions of any sort to forces in rebellion against the Carranza government.\textsuperscript{21}

Nevertheless, just two months later, Doheny handed over his stockpile of rifles and ammunition to the governor of California.

Naturally, Carranza's supporters in Mexico and the United States accused the oil companies of trying to overthrow the government. But the oilmen protested that they were only giving what money was necessary to protect the oil supply, and they denied giving weapons. Doheny's position, as cabled to William Green, was to "pay only what is unavoidable to save property of the company and lives of employes [sic]." The congruence of interests between the oilmen and Pelaez, however, left the lines of authority open to political interpretation.\textsuperscript{22} Harold Walker, for example, conceded that this was an "anomalous" situation but defended Pelaez to the State Department whenever possible. He even remarked to one official that he had Manuel Pelaez to thank for the fact that he could buy gasoline for his car in September 1917 at the same price as he had in March. Still, he had no illusions about Pelaez's ultimate loyalty: "While Pelaez has a chance to keep on living, he will of course protect the oil for his own interest; but if he is beset and his life endangered (there is of course a price on his head now) he will do what every Mexican has always done with the Golden Goose—kill it, to leave his enemy a dead goose. You or I would do the same."\textsuperscript{23}

Taking all of this into account, it seems unlikely that the oil companies made a deliberate business decision to live with this level of uncertainty. At the very least, with Article 27 hanging over their heads, Pelaez's actions kept Carranza from asserting control in the district and gave the oilmen time to work on the Wilson administration.\textsuperscript{24} Unfortunately, the president's decision to grant full recognition to Carranza completely frustrated their efforts, although Doheny refused to abandon his attempts to change Wilson's mind. Following on the heels of this defeat, he proposed to form a publicity bureau designed to "educate the American people about the conditions in Mexico and to bring pressure to bear upon our government
in the hope of stiffening up its policy for the protection of American inter­
ests.” When he heard it, Anderson shuddered at the thought of a plan de­
signed to publicly flail the president for his position on Mexico; he gave it
no hope of changing Wilson’s mind and was certain that it would force
Carranza to retaliate. At the same time, Anderson thought the oilmen
would be burning their bridges behind them and would not be able to go
back to the State Department for protection. Moreover, Anderson knew
that such a campaign from his clients would end his already tenuous rela­
tionship with the administration.

Curiously, Anderson also admitted that he was inclined to give the
president the benefit of the doubt. In fact, he thought it was possible that
Wilson’s recognition policy had been designed to give Carranza enough
rope to hang himself, so that the United States could say it had done every­
thing possible before intervening. His analysis was “that the President was
either sincerely desirous of the ultimate success of the Carranza govern­
ment, or that he was simply waiting for an opportune time to make an
excuse by its failure for intervention.” For the moment, Anderson could
not decide which way the president was headed. Nevertheless, he clung to
the hope that Wilson might yet be “planning the acquisition of Mexico by
the United States.” So, as long as there was even the remotest possibility
of intervention along these lines, Anderson recommended that Doheny
regulate his activities so as to “assist the President in this policy rather than
start a campaign of criticism.”

On September 20, therefore, scarcely a week after this discussion, Do­
heny announced a plan not for a publicity bureau but for an academic
study of recent Mexican history: “I should like to see a great file of materi­
als relevant to the Mexican problem gathered both from printed sources
and from interviewing those who are well informed.” From such an ar­
chive, Doheny wanted to have two books prepared and published. The first
book would be “a comprehensive and living statement setting forth the
fundamental facts and forces [that] would be useful to public officials of
the United States if carefully supported by verified tables of facts and fig­
ures.” The second would be “a human interest story of the industrial and
social life of the Mexicans [that] might help the American public better to
understand the special conditions existing in Mexico.” Without resorting
to propaganda, Doheny also thought that “such a story might tell some­
thing of the conditions under which American pioneers entered Mexico
to engage in various kinds of business, what they have done, and what
have been the economic and social effects produced by their activities.”
Ultimately, Doheny hoped that this material, once divided into specific subject areas, would support several scholarly monographs suitable for use at the university level:

The time has come, I believe, in the history of our country when it is important that our thinking men and women should have actual knowledge of, and give increasing thought to, the relationships of our industrial life to those of other peoples, and the influence of those relations upon the material life and welfare of our own and other countries. Increasingly the pioneers of American industry are reaching out beyond our own boundaries to take up work of various kinds. The mass of our people whose interests are circumscribed by local and internal matters should understand the meaning of this work upon their own. Otherwise we are all at the mercy of the superficial sensationalist and the designing demagogue. The truth shall be made to prevail.26

With this outline as a guide, Doheny donated $100,000 to form the Doheny Research Foundation and appointed George Scott, a specialist in international law and a former research associate at the Carnegie Institution, to head the project. Previously, Scott had been working in Washington with Harold Walker and Norman Bridge to devise a suitable publicity campaign. With Scott in charge, Doheny asked only that he be kept apprised of the foundation’s progress. In a press release, Scott emphasized that, given the current political climate in Mexico, it was Doheny’s desire to provide President Wilson “with information such as a thoroughly disinterested group of investigators can gather.”27

Doheny had actually been involved in a similar project once before—in 1915. At that time, he had given $20,000 to organize a committee of twelve college presidents to “study Mexico in the interests of humanity.” Presumably, he had hoped that Wilson would appreciate the effort and be receptive to the message. Unfortunately, the project foundered in its early stages because it was too dangerous to send researchers into Mexico during the civil war. The committee did sponsor one report on the educational system in Mexico which called for more humanitarian efforts by the United States, although there was an implicit assumption that Mexico could not progress politically and economically without submitting to American tutelage.28

It was obvious that Doheny was advancing from a familiar pattern in setting up this new research operation in 1917. But it is also true that his latest effort emerged alongside a similar one devised by President Wilson to study the political situation in Europe. At the same time that Chandler
Anderson was convincing the oilmen to adopt a more progressive strategy, he was working with Robert Lansing to organize a program to prepare United States negotiators for the impending peace talks at the end of the war. Anderson had hoped to direct the project, but Wilson did not want the State Department involved. Instead, the president set up an independent group known officially as the "Inquiry," directed by his close friend Colonel Edward House and funded by some discretionary accounts available to the White House. Colonel House briefly considered using Anderson for the section dealing with international law, right about the time that Doheny wanted to start his publicity bureau, but then rejected him on the basis of a security check. In that report, the attorney general had characterized Anderson as "a bright and shining example of pretty much everything you don't want."

One of the hallmarks of Wilson's plan was its reliance upon academicians rather than government personnel to provide an independent analysis of the social and political problems associated with a peace settlement in Europe. Clearly, Doheny's Mexican project was conceived as a sympathetic reflection of Wilson's Inquiry. But what is most interesting is that both efforts were taken to be serious and important in the academic community. There were no charges, outside of Mexico, of course, that Doheny's money and position would unduly influence the results of his survey, and absolutely no indication that the Wilson Administration viewed his project as illegitimate. From every indication, the Doheny Research Foundation's study of the Mexican revolution fit in as one more component of the work being performed by a large segment of the nation's scholars and intellectuals. In fact, a fierce competition developed among the wartime agencies for their services. Many of the people hired for the Doheny Foundation moved to the War Trade Board or some other agency at the end of their contracts and regarded the two experiences similarly. And once the Inquiry broadened its focus to include Latin America, the two organizations collaborated where possible with information and personnel.

South of the border, the editor of a pro-German newspaper in Mexico used the Doheny project as effective war propaganda by claiming that Doheny and other American capitalists had given a million dollars for a study whose "sole object" was to "blacken our country in foreign parts by making a false and malicious report." President Carranza believed that the Doheny researchers were "trying to find out things that [were] none of their business" and that this supposedly impartial investigation would be followed by military and political intervention, as had happened in the Philippines.
While Doheny's motives were certainly not unbiased, there was no denying the legitimacy of the work. And on this score, at least, Doheny did what he said he would do: he wrote the checks as Scott requested them, gave several interviews about his experiences in Mexico, and was otherwise invisible. The research team itself, which numbered as many as fifteen, was drawn from the ranks of the best universities and would not have tolerated direct interference in any case. To further validate the project, Doheny and Scott persuaded the University of California at Berkeley to act as the host institution for the work. Berkeley designated each of the scholars as official research associates, which gave them access to the library, staff, and office space. The president of the university, Benjamin Ide Wheeler, told Doheny that he sheltered the project because he was convinced of the "scientific disinterestedness" of the foundation and the high caliber of its members.\(^{32}\)

With these arrangements in place, the researchers went to work to answer one fundamental question: What's the matter with Mexico as an orderly, self-governing community? Taking that as their guide, the members pursued their research from November 1917 through the summer of 1918. During that time, they collected the factual material that Doheny requested and conducted more than 500 interviews with American businessmen working in Mexico and former Mexican officials from the Díaz and Madero administrations. Surprisingly, these interviews did not reveal any universal desire for military intervention. But they almost all reflected an overwhelming disgust with Wilson's conciliatory policy of "watchful waiting," which seemed to aggravate the conditions under which Americans suffered in Mexico. Doheny and his associates were especially blunt about their desire to see the country freed from Carranza's radical program. Robert Cleland, a historian from Occidental College who was put in charge of analyzing the mining and petroleum industries, noted that, "almost without exception," the oilmen anticipated direct American intervention in the northern section of Mexico to protect their interests.\(^{33}\)

To afford some level of objectivity in their reports, the researchers tried to get into Mexico, but the Mexican government barred them from entering the country. It was clear that Carranza opposed the investigation because of Doheny's support. In contrast, the government permitted a section of George Creel's Committee on Public Information to operate in Mexico during the same period. That group distributed American war propaganda throughout the country in an effort to dispel pro-German sentiment in Mexico and worked openly without interference. A handful of Doheny scholars slipped into Mexico surreptitiously but were unable to do
any thorough or consistent work. And, even if they had been invited in, the almost complete absence of documentary material on economic and social conditions in Mexico would not have changed anyone's opinion or the level of analysis.34

In their finished reports, which covered major topics such as government, industry, education, health and sanitation, the researchers were not inclined to support military intervention in Mexico. But like most Americans, they also believed that the United States ought to play a vital role in Mexico's future. Although the resumption of normal commercial relations was high on the list of desirable reforms, foreign businessmen were not exonerated for their past behavior. Blatant abuse of the Mexican people was not to be tolerated, but neither was Mexico's recent attempt to restrict the superior talent and skill of American investors.

In the end, there was nothing in the reports that Doheny could not endorse or appreciate. And despite its inherent biases and evidentiary problems, the work represented the most thorough study of Mexico to date, just as he had hoped it would. Unfortunately, with the end of the European war in November 1918, the pressure to keep the Mexican situation under wraps no longer existed, and there was no need to remain quiet about the president's policy. Thus, almost as soon as the researchers concluded their studies, Doheny refused to see the project through to publication. This decision left George Scott thoroughly disillusioned about Doheny's motives but, nonetheless, convinced of the academic quality of the work. Scott tried to get the University of California to fund the final stage of the enterprise, but the regents turned him down, as well. Over the next few years, however, former members of the foundation published a half-dozen scholarly monographs on Mexico which partially fulfilled Doheny's original aims. But Doheny's unwillingness to pay out a few thousand dollars more to complete his two books, after putting in $120,000 up to that time, reinforces the conclusion that this had really been little more than an elaborate diversion in the larger scheme of oil-related propaganda.35

In December 1918, a new organization, the National Association for the Protection of American Rights in Mexico, was formed. This group was backed almost exclusively by the large oil companies, and it took an aggressive approach to informing the American public about the latest conditions in Mexico. Like that of the Doheny Research Foundation, the mission of the NAPARIM was to collect as much data as possible about foreign enterprises in Mexico and to present these data to government officials and
the American public. The difference was that the NAPARIM distributed its reports in the form of short propaganda pamphlets and newspaper articles, with no presumption of academic objectivity.36

The NAPARIM also sponsored a Senate investigation of the political situation in Mexico in 1919, headed by New Mexico Senator Albert B. Fall, a consistent opponent of Wilson's ideals. As noted in chapter 2, Fall and Doheny both had been in Kingston, New Mexico, in the mid-1880s but were not personally close until this collaboration over Mexico. In well-publicized hearings before a subcommittee on United States-Mexican relations, Fall delved into the "outrages" inflicted on Americans by the Carranza government. It was obvious from the beginning, as Harold Walker noted, that the oil interests were no longer worried about the "danger of criticizing the Carranza authorities in public or private."37

In the months prior to the Fall investigation, the reading public had already been treated to numerous stories purporting to reveal the true motives of the oilmen. In July 1919, L. J. de Bekker, a writer for the New York Tribune, produced a series of articles for The Nation entitled "The Plot Against Mexico," which charged the oilmen with all manner of evildoing. Then, just prior to the start of the Fall hearings, Samuel Guy Inman, an American missionary representing a coalition of Christians opposed to an aggressive foreign policy in Latin America, published a book entitled Intervention in Mexico, which repeated many of the charges that de Bekker had laid out. Inman was the first person called to testify before the committee, and he became a political lightning rod for Senator Fall.38

From Inman's perspective, the Mexican problem in the United States sprang from five basic sources: a lack of knowledge about Mexican geography and history, ignorance of the internal political currents of Mexico, the difference between Anglo-Saxon and Latin psychology, the impossibility of separating the Mexican question from American political and economic life, and the fact that the American people did not get the truth about conditions in Mexico. This was the Doheny program in almost every respect, and Inman even praised Doheny's financial support as a first step along the road to understanding. But he also supposed—not incorrectly—that the Doheny reports advocated the vocational rehabilitation of Mexico through increased contact with American business, and Inman warned his readers that nothing would be worse than to turn Mexicans into worshipers of "crass materialism." Inman offered a cogent argument for leaving Mexico alone. He believed that the country was in the midst of a true social revolution and that the situation was not going to be resolved by any action on the part of the United States. "We might as well stop fooling ourselves,"
Inman concluded, that Americans would wake up one morning to find that the Mexican problem had been solved “by a shuffling of the political cards.”

But that was precisely what the Fall Committee hoped to accomplish. As a counterpoint, the Committee called Doheny to center stage as the star witness for the oil industry and the business community, in general. During his testimony, Doheny explained the plight of American firms struggling to conduct normal business in Mexico in the face of Carranza’s antiforeign demands. He maintained that radical taxation policies and the provisions of Article 27 inhibited profitable oil production in Mexico and threatened to eliminate ownership of private property altogether. The real problem, from his perspective, was Carranza’s belief that he could wipe out the contracts and agreements of the last fifteen years with impunity. Nevertheless, in spite of his intense dislike for Carranza’s policies, Doheny stated that he was not an interventionist but stood “in an absolutely neutral position with reference to the political affairs in Mexico.” All he could really do was to complain. On this matter, Doheny’s personal preference for a new government in Mexico conflicted with the realization that a direct military invasion into the oil zone might prompt Carranza or Pelaez to destroy the wells as a desperate act of defiance. The oilmen, as one industry observer noted correctly, were stuck “between the devil and the deep blue sea.”

Recently, it has been suggested that the oilmen miscalculated the political equation in Mexico. Supposedly, they would have been better off joining with the Carranza forces rather than continuing their support of Pelaez, since rebel exactions in 1919 almost equaled the tax demands of the central government and Pelaez’s raids on the oil camps caused considerable damage. Logically, the oilmen had less to fear from Carranza’s Article 27, to which he was not personally committed, than they did from Pelaez’s continued rebellion. And, according to this view, “if the oilmen really had a choice of tax men perhaps they would have chosen Carranza,” suggesting that Pelaez never gave them the luxury of choosing.

Yet, there was an ideological component to the oilmen’s case that defied logical explanation. The only thing that was clear, even under the most chaotic circumstances, was that the oilmen understood Pelaez and his basic desire for money and power, whereas they were never sure about Carranza and Mexico’s “confiscatory” constitution. Therefore, they resisted his physical possession of the oilfields with every means at their disposal. Certainly, this was a fundamental misreading of Carranza’s intentions, which were nationalist but not anticapitalist. Likewise, the oilmen misunderstood
Woodrow Wilson’s support of the Carranza government and viewed it as a basic disavowal of their rights. Overall, the situation worked to defeat the bottom-line pragmatism of business, which would have had the oil companies settle for what they could get out of the new government and move on.

In the background, the specter of the Bolshevik Revolution rampaging across the world stage confused the issue even more, and suggesting a link between the revolutions in Mexico and Russia was an effective argument, even if it tended more toward hysterical fantasy than proven fact. This was a current theme during the Fall Committee hearings and the subject of many NAPARIM pamphlets. In “Plow With Petroleum,” for example, published in 1920, the “Argonauts of oil” referred to the attack on their legal rights by the “Bolshevistic-Carranza government” in Mexico and asked readers if they were in favor of having their government declare “a firm, definite policy toward the protection of American citizens, whether they be in Mexico, Siberia, or Keokuk.”

Perhaps because of the extreme rhetoric from all sides, the ideological contest in Mexico produced a political stalemate between 1915 and 1919. While it is true that the oilmen could not remove Carranza or his obnoxious constitutional policies, they did not acquiesce to them, either. They paid what taxes and duties they could not avoid and held firm against Article 27. Needing money, Carranza compromised to the degree that he did not insist on implementing what he could not defend, and he succeeded in gaining United States recognition and enough tax revenue to successfully keep Mexico out of the hands of the foreign powers. Pelaez waged a successful guerilla war in the Huasteca district, which earned him a share of the oil wealth and kept the central authorities out of his home territory.

Overall, the one who benefitted most was Woodrow Wilson. More than anyone else, Wilson understood that the best strategy was simply to leave the situation alone. By not adding the United States military into the equation, a mistake he had made earlier at Veracruz and with the Pershing Expedition, he forced the three other groups into a rough balance of power, with definite limits on how far any single group was willing to push its agenda. This was a noisy, sometimes destructive, and occasionally deadly stalemate, but it left Wilson free to try his hand at settling the European conflict. That he ultimately failed in that endeavor should not obscure the fact that it was his Mexican policy that gave him the opportunity to try.

These were short-term gains, however, made possible by the enormity of the German threat. Afterward, the scorecard looked drastically different
for the contenders in Mexico. In the spring of 1920, Carranza was forced from office and ultimately assassinated by his political opponents under the leadership of Alvaro Obregón. Pelaez, who rose briefly with the Obregón regime, failed to develop the political vision necessary to survive on a larger field and was eventually forced back home to an involuntary retirement. Only Doheny and the oil companies were left to fight for, and profit from, another day. Yet that was more a victory for oil, itself, which because of the World War had become a strategic commodity valuable enough to ensure its own survival. Mexican oil, in particular, was about to enter the period of its greatest influence—the early 1920s.