October 1991

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Recent criticism of the fate of the common lands of Spanish and Mexican land grants in New Mexico under United States rule has all been directed at the idea of title. This criticism is based on the primitive argument that the United States deprived the community grants of something that "belonged" to them. However, the experience at San Miguel del Bado shows that, in the end, the imposition of the full range of United States law to the common lands of the grant did not deprive residents of "title" to the grant's extensive common lands. Instead, residents ended up owning under United States law what the United States had said was not theirs under Spanish and Mexican law. What they lost was the corporate control of that resource. That loss may have been as important as the loss of ownership, but there is a large difference in the two, as San Miguel del Bado shows.

Senator Holm O. Bursum and the Mexican Ring, 1921–1924

KEVIN J. FERNLUND

On December 14, 1923, Enrique Seldner, the personal representative of the Mexican rebel leader Adolfo de la Huerta, checked into the Hotel Pennsylvania in New York City.[1] There was little time. War had broken out in his country, with De la Huerta heading a rebellion of great landowners, military officers, clerics, and nationalists against the government of the revolutionary war hero, Alvaro Obregón.

The rebels charged President Obregón with subverting the 1917 Constitution and trying to install in power his own successor—Plutarco Elías Calles.[2] Seldner was afraid that the United States would interfere in the civil war by blocking private arms shipments from American

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1. Enrique Seldner to Holm Olaf Bursum, December 14, 1923. The Holm O. Bursum Papers, Special Collections, University of New Mexico Library, Albuquerque, New Mexico (cited hereafter as Bursum Papers).

2. Obregón and Calles, along with De la Huerta, had formed what was called the "Sonoran Triumvirate," which led a successful revolt against Venustiano Carranza after he tried to name his successors.

ports to rebel-held ports in Mexico.[3] His first act as consul general of the Provisional Government of Mexico was to wire Senator Holm O. Bursum of New Mexico for help, a friend and supporter of De la Huerta.[4]

The relationship of Bursum to the short but bloody Mexican rebellion developed out of a complex series of events that began with his move to the center of American power. On March 11, 1921, Governor Merritt C. Mechem appointed the fifty-four-year-old Republican leader to serve out Albert B. Fall's senate term, due to expire in 1924. The ever-ambitious Fall had left Congress to join the new Harding administration as secretary of the interior.[5] Fall had also been involved in U.S.-Mexican affairs. Whereas he had tried to secure the property rights of U.S. oil companies with interests in Mexico, Bursum directed his energies toward reviving the cattle trade that the Mexican Revolution had disrupted. Bursum, himself a rancher from Socorro, was responding to the crisis in New Mexico's cattle and banking industries brought about by the combined effects of the Mexican Revolution and the post–World War I depression.

Even though the pipe-smoking senator ultimately failed to revive the cattle trade, the story of the attempt merits consideration. At first glance, Bursum's methods, and the subsequent trouble that engulfed him, seem to be just another example of the loose business ethics and the often corrupt relationship between business and government characteristic of the 1920s, and much of New Mexico's territorial era for that matter. To achieve his ends, Bursum formed a "ring," in the sense that the term was used during New Mexico's territorial era, when the Santa Fe Ring served as a model for ambitious men bent on gaining wealth and power.[6] In this case, Bursum and a small group, or ring, of men used not one but two governments to advance their business and political interests.

But what is important about this international ring was that during its brief existence, it helped shape New Mexican and Mexican politics and influenced the course of U.S.-Mexican relations as well. From 1921 to 1924 Mexico was trying to forget the violence and chaos of its revolutionary past, while at the same time taking the difficult steps toward

3. For a full account of the rebellion, see David A. Brush, "The De la Huerta Rebellion in Mexico, 1923–1924" (doctoral dissertation, Syracuse University, 1975; Ann Arbor, Michigan: Xerox University Microfilms, 1980).

4. Seldner to Bursum, December 4, 1923, Bursum Papers.

5. For a work that places Fall in the context of the 1920s, see Burl Noggle, *Teapot Dome: Oil and Politics in the 1920s* (Baton Rouge: Louisiana State University Press, 1962).

6. Bursum himself was associated with the old Santa Fe Ring.

realizing the revolutionary goals expressed in the 1917 Constitution. The activities of the ring influenced each of the three phases Mexico passed through at this time. These were 1) U.S. recognition of the Obregón government; 2) reconstruction of Mexico's war-shattered economy; and 3) the rebellion of Adolfo de la Huerta. Before telling the story of Bursum and the Mexican Ring, we will consider the politics surrounding his senate appointment and his efforts to provide federal relief for New Mexico's depressed economy. Both set the stage for the events that followed.

Bursum's appointment to the U.S. Senate marked the apex of a long and eventful career in politics.[7] In 1894 he entered public life with the donning of the sheriff's badge in Socorro County.[8] After making a name for himself chasing desperados such as Black Jack Ketchum, Bursum left law enforcement temporarily for lawmaking and in 1899 took a seat as a Republican in the territorial legislature. The connections he made in Santa Fe quickly translated into the sought-after wardenship of New Mexico's penitentiary, an office he held until 1906.[9]

By this time Bursum was closely identified with the territory's "Old Guard" Republicans, a powerful clique of men that dominated the rest of the party.[10] He headed the territorial central committee from 1905 to 1911 and represented New Mexico at the national conventions of 1904 and 1908. In these latter capacities, he made a stir by pressing the divisive issue of statehood.[11] At the subsequent convention of 1910, Bursum served on the Committee on Committees, which effectively controlled the proceedings. He acted in league with Charles A. Speiss, Solomon Luna, gun-toting Albert Fall, and other leading conservatives to make sure that the document that emerged from the convention's deliberations protected the established business and political order and omitted or rendered ineffective proposals that progressive-minded Democrats offered.[12]

7. For a general study, see Donald R. Moorman, "A Political Biography of Holm O. Bursum: 1899–1924" (doctoral dissertation, University of New Mexico, 1962).

8. Donald R. Moorman, "Holm O. Bursum, Sheriff 1894," *New Mexico Historical Review* 39 (October 1964), 333–44.

9. Judith R. Johnson, "For Any Good At All: A Comparative Study of State Penitentiaries in Arizona, Nevada, New Mexico and Utah from 1900 to 1980" (doctoral dissertation, University of New Mexico, 1987), 59.

10. Jack E. Holmes, *Politics in New Mexico* (Albuquerque: University of New Mexico Press, 1967), 175–78.

11. Robert W. Larson, *New Mexico's Quest for Statehood, 1846–1912* (Albuquerque: University of New Mexico Press, 1968), 262; Howard R. Lamar, *The Far Southwest, 1846–1912: A Territorial History* (New York: W. W. Norton & Company, 1970), 486–504.

12. Larson, *New Mexico's Quest for Statehood*, 278–86.

The part Bursum played in ensuring that New Mexico's transition from territory to statehood was one of continuity rather than change did little for him at the polls. The Old Guard Republican was powerful but not popular and was twice defeated for governor, first in 1911 and then in 1916.[13] Despite these major setbacks, Bursum contented himself with closed-door politics while managing his sheep and cattle ranch during the boom years of the First World War. But in 1920 Bursum returned to center stage as chairman of the Republican State Convention and skillfully engineered Merritt C. Mechem's nomination for governor.[14]

When Fall vacated his seat in Congress in March 1921, observers expected that Mechem would repay Bursum the political favor with the senate appointment, which was to be in effect until a special election was held on September 20.[15] But to everyone's surprise, Fall refused to play this game of musical chairs.[16] Fall and Bursum were supposed to scratch each other's backs since they belonged to what critics or political outsiders such as Carl Magee called "the gang." The gang was believed to consist of like-minded businessmen, land speculators, politicians of either party stripe, lawyers, and newspapermen who quietly worked in concert to advance their common goals and interests. The gang, in this view, was the old Santa Fe Ring reincarnated.

The attempt on Fall's part to prevent Bursum's rise to national power indicated that a rift had formed between two of the major Republican leaders in New Mexico, although the two cooperated on the controversial Bursum Bill.[17] To George Curry—Rough Rider, politician, and friend of both men—it was a matter of Fall's wanting someone in the Senate he could control.[18] This unabashed empire-building came to nothing when Mechem defiantly went ahead with the appointment, but the episode marked the end of what could have been a fruitful collaboration between the two men.[19] Clearly, Bursum finished what

13. Howard R. Lamar, ed., "Holm O. Bursum," *The Reader's Encyclopedia of the American West* (New York: Thomas Y. Crowell Co., 1977), 143.

14. *Albuquerque Morning Journal*, March 12, 1921, 2.

15. The special election raised many constitutional questions. See the *Albuquerque Morning Journal*, March 10, 1921, 1.

16. *Albuquerque Morning Journal*, March 2, 1921, 3.

17. In May 1921, Bursum submitted a bill that "confirmed," in Kenneth Philp's words, "white encroachment on Indian lands in New Mexico." Philp, "Albert B. Fall and the Protest from the Pueblos, 1921–23," *Arizona and the West* 12 (Autumn 1970), 237.

18. George Curry, *George Curry, 1861–1947: An Autobiography*, ed. H. B. Hening (Albuquerque: University of New Mexico Press, 1958), 292–93. Curry served temporarily as Bursum's secretary in Washington.

19. After Fall failed to block Bursum's appointment, he then tried unsuccessfully to deny Bursum control over the distribution of patronage. See Moorman, *A Political Biography*, 247–49.

the other had started by using Fall's ambition against him. He decided to portray himself as an enemy of the gang and special interests, hoping thereby to receive the support of the state's progressives in addition to Republicans presently loyal to him.

Already Bursum had realized that if he were to win the September election, a short six months away, he had to prove himself an effective lawmaker and statesman as well as appear to have dissociated himself from the unpopular gang. To accomplish this double task, he formed the most improbable alliance in New Mexico politics. Fall had sold the influential *Albuquerque Morning Journal* in 1920 to Carl Magee, a Republican who later turned Democrat. Fall now planned to use his influence to close down the paper because of its growing editorial attacks on the Republican Party. Bursum warned the newspaperman of Fall's intentions and even indicated that he might secure other financing for him, although this promise never materialized.[20]

To return the favor, Magee tried to persuade his readers that the seasoned party boss from Socorro had recently converted to the progressive faith. The newspaperman gave assurances that the days of overspending on elections and the hiring of henchmen instead of volunteers for campaign work were over. Bursum's political dealings were to be conducted henceforth in the open. Magee also supported Bursum's election on the grounds that he would then owe his allegiance to the people of the state and not to the Fall crowd.[21]

Now that the *Journal* was behind his Senate campaign, Bursum could turn his attention to national politics and Mexican affairs. He fully intended to have ready by election day an impressive resume of his legislative and diplomatic achievements, and, in the aftermath of the Great War, numerous issues called for attention. But the one problem that he and other lawmakers had to face, especially those from grain- and livestock-producing regions, was how to relieve their constituents who were suffering through the postwar depression. In Bursum's own state, cattle growers and financial institutions had experienced crisis after crisis as the prices for range animals steadily dropped. In 1918, the last year of the war, the price per hundredweight had peaked at $14.50; by 1921 the price had tumbled to a low of $6.15, while costs stubbornly held at the 1918 level.[22] Bursum approached the problem

20. Susan Ann Roberts, "The Political Trials of Carl C. Magee," *New Mexico Historical Review* 50 (October 1975), 293–94.

21. *Albuquerque Morning Journal*, September 11, 1921, 1.

22. John T. Schlebecker, *Cattle Raising on the Plains, 1900–1961* (Lincoln: University of Nebraska Press, 1963), 74.

Albert B. Fall and Holm O. Bursum (pipe in hand), c. 1907. Photo courtesy of the State Records Center and Archives, Santa Fe.

from two angles: one, he sought federal relief; and two, he tried to reopen the Mexican cattle market.

In the debate that occurred during the summer of 1921 between Nebraska Senator George W. Norris and the Harding administration over farm relief, Bursum stood squarely behind the latter. On May 31, 1921, Norris submitted a progressive farm bill that sought to create a government corporation to be directed by the secretary of agriculture.[23] The new body was to provide Europeans with U.S. farm products on generous terms. Europeans needed these inexpensive foodstuffs while they rebuilt their economies to prewar levels; Americans needed markets for their agricultural abundance. The Norris plan would help both sides of the Atlantic adjust to a shaky postwar situation.

At the behest of the Harding administration, Senator Frank R. Kellogg of Minnesota introduced on July 26 a competing farm measure. Herbert Hoover, secretary of commerce, and Eugene Meyer, Jr., director of the War Finance Corporation, were the principals behind what Norris labeled a "banker's bill."[24] The administration wanted to substitute a rechartered War Finance Corporation, which could make advances to distressed loan agencies for the proposed farm export program.[25]

Bursum was easily won over to the administration's position once he was assured that the War Finance Board would look after the interests of the livestock industry.[26] Despite Norris' complaint that the substitute bill contained "no provision . . . under which anything can be done for agriculturists without a rake-off to somebody, a banker, a dealer, or a speculator," Bursum broadened the measure.[27] In his own amendment, he added the lender of cooperative associations to Norris' list of nonproducers ready to reach into the farmer's pocket.[28]

On August 24, the administration's bill became law. In the short time between Mechem's appointment and the special election for Bursum's seat, Bursum had succeeded in contributing to a major piece of

23. Richard Lowitt, *George W. Norris: The Persistence of a Progressive, 1913–1933* (Urbana: University of Illinois Press, 1971), 167–80.

24. James H. Shideler, *Farm Crisis, 1919–1923* (Berkeley: University of California Press, 1957), 161–62; *Congressional Record*, 67th Congress, 1st Session, July 28, 1921, 4384.

25. Congress created the War Finance Corporation on April 5, 1918, to help finance essential industries during the war. After the war, Congress amended the charter repeatedly, each revision expanding the corporation's powers. The corporation was terminated in 1924. See Merlo J. Pusey, *Eugene Meyer* (New York: Alfred A. Knopf, 1974), 157–84.

26. *Congressional Record*, 67th Congress, 1st Session, July 28, 1921, 4382.

27. *Ibid.*, July 28, 1921, 4384.

28. *Ibid.*, July 29, 1921, 4438.

relief legislation reaching into New Mexico, an accomplishment that Magee trumpeted in the *Journal*. The electorate responded approvingly a month later by keeping Bursum in office with a decided majority of 5,515 votes.[29] He could now complete Fall's term.

Unreported in the New Mexican press in 1921, however, was Bursum's involvement in U.S. foreign policy. In this endeavor, his activities remained behind the scenes. Unlike his colleague from Nebraska who looked to Europe for markets, Bursum gazed southward, down the *camino real*, to Mexico. The Socorro rancher wanted a "return to normalcy" in the economic relations between the United States and Mexico, especially a revival of the once-flourishing cattle trade.[30] It was of little moment to Bursum that Mexico had undergone a revolution since 1910.

Bursum's image of the Mexican Revolution, like that of most of his contemporaries, was narrow and consisted of a mere struggle for power among that country's strongmen. He saw it as a civil war or a series of civil wars. He either ignored or was unaware of Mexico's profound social changes and its mounting nationalism. Moreover, he did not take seriously the revolutionary rhetoric of Mexico's leaders. When the southern republic appeared finally to have achieved political stability with the election of Alvaro Obregón to the presidency in 1920, he expected business to be conducted as it had been under the old regime of Porfirio Díaz.

But before business could return to normal, the United States had to recognize the new Obregón government. Harding's secretary of state, Charles Evans Hughes, also held a superficial view of the revolution, but unlike Bursum, he was disturbed by the radical language of Mexicans in high places, especially when it found expression in that nation's laws. Hughes made the renewal of relations contingent on Mexico's first signing a treaty of amity and commerce. The treaty would render meaningless the principle of economic nationalism embodied in the 1917 Constitution, specifically Article 27.[31] Instead, Mexico would commit itself to respecting the sanctity of contracts and protecting the rights of property owners—the two pillars of bourgeois civilization. This policy of nonrecognition, although it proved ineffective against

29. *Official Blue Book of the State of New Mexico, 1921–1922* (Issued by Manuel Martinez, the Secretary of State, 1922); *Albuquerque Morning Journal*, September 21, 1921, 1.

30. Manuel A. Machado, Jr., *The North Mexican Cattle Industry, 1910–1975: Ideology, Conflict, and Change* (College Station: Texas A&M University Press, 1981), 29.

31. This constitutional provision allowed the state to appropriate the private property of foreigners, if it were deemed in the public interest to do so.

the Soviet Union, produced quite different results in Mexico, which was much closer, and more vulnerable, to the United States.[32]

These terms of recognition left President Obregón with few options. If he met Hughes' humiliating conditions and signed the treaty, he faced the certain loss of nationalist support at home, which in 1920 had led to the downfall and assassination of his predecessor, Venustiano Carranza. But without U.S. recognition he could not obtain the foreign loans needed to rebuild Mexico's devastated economy.[33] The only course open to the one-armed general was to reassure the Colossus of the North that the expropriatory provisions of the present constitution notwithstanding, it was still safe to invest capital and conduct business in his country.

On June 11, 1921, the Mexican leader wrote to Harding to end what he called "the fundamental doubts" about the intentions of his government in meeting its international obligations.[34] He made clear that Mexico would honor its foreign debts as well as address the claims of U.S. citizens, many of whom had property either damaged or destroyed in the revolution. On the more important matter of safeguarding private property from governmental confiscation, Obregón pointed out that the Chamber of Deputies had not enacted legislation implementing Article 27 and that the courts had not ruled unfavorably in property cases. He went as far as he could without directly compromising Mexico's national autonomy.

Obregón would have to wait two months before receiving the president's reply, and then it was only a restatement of Hughes' formula of first treaty, then recognition.[35] In the meantime, foreign agents active in both capitals presented the cases of their governments. Harding sent Elmer Dover and General James A. Ryan to Mexico City; Obregón's representatives in Washington, D.C., were Robert H. Murray, Byron S. Butcher, and Gumaro Villalobos.[36] Sometime in June or

32. Walter V. Scholes, "Secretary of State Hughes' Mexican Policy," *Jahrbuch fur Geschichte von Staat, Wirtschaft und Gesellschaft Lateinamerikas* 7 (1970), 299–308.

33. Linda B. Hall, "Banks, Oil, and the Reinstitutionalization of the Mexican State, 1920–1924," Paper read at the American Historical Association Pacific Coast Branch, August 1987, 2.

34. Alvaro Obregón to Warren G. Harding, August 18, 1921. *United States Department of State, Papers Relating to the Foreign Relations of the United States, 1921*, 2 vols. (Washington, D.C.: 1936), 2:416–19 (cited hereafter as *Foreign Relations*).

35. Harding to Obregón, July 21, 1921, *Foreign Relations, 1921*, 2:420–23.

36. Ryan and Dover are mentioned in Robert K. Murray, *The Harding Era: Warren G. Harding and His Administration* (Minneapolis: University of Minnesota Press, 1969), 329; while Murray, Butcher, and Villalobos receive comment in Kenneth J. Grieb, *The Latin American Policy of Warren G. Harding* (Fort Worth: Texas Christian University Press, 1976), 136.

early July, Villalobos called on Senator Bursum to discuss the issues dividing the United States and Mexico.

The Mexican agent's visit provided Bursum with his first opportunity to try his hand at personal diplomacy. His leadership style was in sharp contrast with that of his fiery predecessor, Albert Fall, who had acquired a reputation for table-pounding and imperialistic bluster.[37] Bursum was above all a practical man who had little interest in histrionics and shows of power. He saw politics as an extension of business and believed it should be conducted as such. He was most comfortable when he could meet interested parties face to face and away from the public eye. He was convinced that the Mexican problem could be solved by a closed-door, business-like approach. The parties could then make the necessary compromises and put the best face on them.

Bursum advised Villalobos to see the well-connected Frank H. Hitchcock, who had served in William H. Taft's administration as postmaster general. Later all three men held a number of private meetings.[38] Bursum and Hitchcock appreciated the bind that Obregón was in and suggested the creation of a joint commission that would be small, informal, and made up of personal representatives of Harding and Obregón. Once the commission had prepared its recommendations, the members would report back to their respective presidents. Villalobos welcomed the plan but stipulated that Fall and Henry P. Fletcher, the undersecretary of state, were to be left out of the negotiations.[39] Mexicans in and out of Obregón's government intensely disliked both these men. Bursum wryly agreed to accept this condition, which would sharply reduce Fall's influence over Mexican affairs.

Villalobos returned to Mexico City and Bursum took up the proposal with Harding. He received the presidential nod, but Obregón, it turned out, would have nothing to do with the commission.[40] On September 1, 1921, he stated in a message to the Chamber of Deputies that recognition must be unconditional. Anything less would "injure the sovereignty and dignity of Mexico."[41] And there matters stood until

37. See Mark T. Gilderhaus, "Senator Albert B. Fall and the Plot Against Mexico," *New Mexico Historical Review* 48 (October 1973), 299–311.

38. Bursum to H. D. Slater (editor of the *El Paso Herald*), September 12, 1923, Bursum Papers.

39. *Ibid.*

40. *Ibid.*

41. As quoted in Antonio Gómez Robledo, *The Bucareli Agreements and International Law*, trans. Salomón de la Selva (Mexico City, D.F.: National University of Mexico Press, 1940), 3.

May 27, 1922, when Adolfo de la Huerta, the finance minister of Mexico, went to New York to negotiate the service on the foreign debt with the International Bankers' Committee, headed by Thomas W. Lamont of the House of Morgan.[42]

From Obregón's point of view, the settlement of Mexico's finances would remove a major obstacle to U.S. recognition, but at the same time it might very well deeply enmesh the country in the Atlantic banking system. If his finance minister could secure loans for a central bank and the *Caja de Prestamos para Obras de Irrigación y Fomento de Agricultura*, key institutions in any national reconstruction of the economy, losing some control over the nation's financial affairs was worth the risk.[43] As it turned out, De la Huerta was little match for the powerful gathering of American and European bankers and allowed them virtually to dictate the terms under which Mexico would repay its external debt. The International Banking Committee and De la Huerta agreed that the debt would be paid back over a forty-five-year period, although at lower rates.[44] Moreover, he failed to secure any new loans.[45] The Lamont–De la Huerta Agreement signed on June 16, 1922 was, in one sense, Hughes' treaty but in another form. However, it differed in one important respect: Mexico surrendered part of its sovereignty without moving any closer to U.S. recognition. The bankers may have become disposed toward renewing relations, but the oil men or *petroleros*, in particular, continued to demand that Mexico strike out of its Constitution the offending Article 27, if it wanted recognition.[46]

Shortly after the debt agreement, De la Huerta left Wall Street for Washington. He visited Harding. Present at this meeting was the president's agent in Mexico City, General James A. Ryan, who among other things was a representative of Texas Oil Company and a director of Spires Bank.[47] In addition, Senator Bursum was there, having by this time insinuated himself in Mexican affairs at the highest levels.[48]

42. See chapter 17 in John W. F. Dulles' *Yesterday in Mexico: A Chronicle of the Revolution, 1919–1936* (Austin: University of Texas Press, 1961); *New York Times*, May 23, 1922, 3; Ron Chernow, *The House of Morgan: An American Banking Dynasty and the Rise of Modern Finance* (New York: Atlantic Monthly Press, 1990), 238–43.

43. Hall, "Banks," 24.

44. Chernow, *The House of Morgan*, 243.

45. Hall, "Banks," 25.

46. Lorenzo Meyers, *Mexico and the United States in the Oil Controversy, 1917–1942*, trans. Muriel Vasconcellos (Austin: University of Texas Press, 1977), 103.

47. During the Revolution, Ryan had allowed Obregón to transport troops across U.S. territory in a campaign against Pancho Villa. Since then, the men had been friends. See Bursum to Slater, September 12, 1923, Bursum Papers.

48. Adolfo de la Huerta, *Memorias de don Adolfo de la Huerta, segun su proprio dictado*, transcription and commentaries by Roberto Guzman Esparza (Mexico City: Ediciones Guzman, 1957), 209.

Unfortunately, after De la Huerta's friendly talk with Harding, he had an unproductive meeting with Hughes. Both simply restated the official positions of their respective governments. Bursum and Ryan, Congressman Clint R. Cole of Ohio, and others then joined De la Huerta at his own railroad car, the *Hidalgo*. Amidst thick tobacco smoke and the clinking of glasses filled with whiskey, cognac, or champagne—Prohibition notwithstanding—the men got to know one another and amicably discussed the state of U.S.-Mexican relations.[49] Bursum stressed the importance of trying to break the deadlock by means of a joint commission, and De la Huerta expressed concern about Mexico's honor. Although no agreement was reached, Bursum and Ryan found in De la Huerta a man with whom they could work. For De la Huerta's part, he could now count among his supporters not only financiers but also several national politicians. He would need them when he returned home to face President Obregón.[50]

The Lamont–De la Huerta Agreement appeared to the United States to be an important step toward recognition, which had been Obregón's intention. But it was dangerous for a Latin American leader to have the favor of U.S. and European bankers without their money as well. Obregón thus moved very slowly and cautiously. As the months dragged on, recognition seemed almost an unobtainable goal. Finally, on January 2, 1923, the beginning of a new year, Bursum wrote to Ryan that if their mutual friend Adolfo de la Huerta were president, the issue of recognition would be promptly put to rest.[51] Bursum was not the only one who thought Obregón might have to go. Oil men, the Hearst Press, and others in the U.S. government were also heading in that direction.[52]

It is not clear what effect growing U.S. pressure had on Obregón. In any event, on February 17, he assured Ryan that he was "anxious" to see relations restored; he also had "great hopes" that the Chamber of Deputies would soon pass a bill defining Article 27 to the satisfaction of all interested parties.[53] Since August 30, 1921, the Mexican Supreme Court had ruled that the government could not expropriate oil properties that had been improved or developed as of 1917. This doctrine of "positive acts" did little to mollify the petroleros, insomuch as it left no less than 80 percent of their lands unprotected.[54]

On February 27, 1923, Obregón reversed himself and agreed to the commission that Bursum and Ryan had been advocating.[55] He no doubt saw the commission as a lesser evil than a treaty. And the one did not necessarily precede the other. On April 9, the Mexican president stated his willingness to go along with the commission in a letter to Ryan, which Ryan in turn delivered to the U.S. Charge d'Affairs, George

49. *Ibid.*, 209–15; Dulles, *Yesterday in Mexico*, 155–57.

50. Obregón had distrusted De la Huerta ever since the latter as interim president in 1920 had granted Pancho Villa, Obregón's archenemy, a large estate. Now that De la Huerta had, as Hall argues, misrepresented Obregón's position before the International Banking Committee, the relationship between the two men grew worse, finally leading to a violent parting of the ways. See Hall, "Banks," 21–30.

51. Bursum to Ryan, January 2, 1923, Bursum Papers.

52. Daniel James, *Mexico and the Americans* (New York: Frederick A. Praeger, 1963), 223.

53. Ryan to Bursum, April 25, 1923, Bursum Papers.

54. Hall, "Banks," 17.

55. Hughes to the U.S. Charge d'Affairs George T. Summerlin, March 7, 1923, *Foreign Relations, 1923*, 2:525.

Adolfo de la Huerta. Photo courtesy of Archivo General de la Nación, Mexico City.

T. Summerlin.[56] Harding, of course, had no objections to what was officially viewed as Obregón's proposal.

Ryan wanted Bursum to come to Mexico City and assist with the talks. Bursum declined and indicated that Harding's two commissioners, Charles Beecher Warren and John Barton Payne, were equal to the task.[57] But Bursum did make clear what he thought should be the next step; it was now the Americans' turn to "assume the initiative."[58] Bursum called for the adoption of a "constructive and liberal" U.S. policy toward Mexico.[59] This policy meant flexibility on the question of Article 27 and the promise of loans to rebuild Mexico's economy. Regarding negotiations with Mexico, Bursum suggested to Ryan what he could just as easily have communicated to an Anglo party boss in Bernalillo or Lincoln County: the "Mexican [was] naturally . . . docile, good hearted, well meaning . . . generous and, as a rule, very loyal to his friends."[60]

From May 14 to August 15, 1923, the U.S. and Mexican representatives met on Bucareli Avenue in Mexico City. The Bucareli Conferences produced two treaties and, significantly, an unwritten agreement on Article 27. The treaties provided for conventions to handle the claims of U.S. citizens against Mexico for damages sustained at the time of and before the revolution.[61] These negotiations were subject to ratification by the respective senates, at which point full relations would be restored and ambassadors appointed.

Secretary Hughes not only supported the treaties, but he also backed the unwritten agreement on Article 27. The alternative seemed worse—continued instability in Mexico and growing pressure for direct U.S. involvement. On the other hand, oil companies were shocked and outraged. Despite their vociferous protests and demands for a written agreement, the charges d'affaires in Washington and Mexico City exchanged letters of credence on September 3.

Bursum and Ryan both took advantage of the improvement in relations to advance their interests. The senator wanted to sell New Mexico cattle to Mexican ranchers, sales that would relieve, in part, the lingering postwar depression as well as bolster Bursum's chances for re-election in 1924. In this endeavor, he planned to benefit from Ryan's extensive contacts in Mexico's political and financial circles and

56. Summerlin to Hughes, April 14, 1923, *ibid.*, 2:532.
57. Ryan to Bursum, April 25, 1923, Bursum Papers. The Mexican representatives were Fernando Gonzales Roa and Ramón Ross.
58. Bursum to Ryan, May 14, 1923, Bursum Papers.
59. *Ibid.*
60. *Ibid.*
61. Dulles, *Yesterday in Mexico*, 170.

from De la Huerta's position of power in the Mexican government. For Ryan's part, he felt his efforts in bringing about the Bucareli Conferences deserved consideration. Since Harding had died on August 2, Ryan naturally turned to Bursum for help. He was thinking along the lines of the ambassadorship. To this end he could also count on De la Huerta's support. De la Huerta, in turn, had political ambitions of his own and saw in Ryan and Bursum two important connections to the United States. This ring, or rather triangle, which had its origins at the meeting aboard De la Huerta's railroad car the preceding summer, emerged briefly—from August to the middle of November—and then was destroyed by the very forces it had helped to create.

On August 29, 1923, Bursum wrote to Ryan and suggested, in a rather clumsy attempt at statesmanship, that for De la Huerta to rehabilitate Mexico's economy, he should consider the "sensible policy" of importing U.S. cattle in order to restock the country's largely empty ranges.[62] The sales could be arranged on credit in return for bank securities. He then suggested that De la Huerta would have to look no further than Chihuahua for 30,000 to 40,000 head of cattle. Ranchers in New Mexico had sent the animals across the border after the "droughty summer" of 1922.[63] The Livestock and Agricultural Loan Agency of New Mexico managed the cattle, which had been earlier mortgaged to the War Finance Corporation.[64]

Bursum received two letters from Ryan on September 6.[65] In one, he happily reported that De la Huerta was "very interested" in the cattle proposition and wanted Bursum to visit Mexico City to discuss financing. In the other, he requested that Bursum write letters of introduction for Robert H. Murray, whom De la Huerta was to dispatch to Washington to meet with high officials on the subject of the ambassadorship.[66] Murray was to try to secure the appointment of either Charles B. Warren, one of Harding's representatives at Bucareli, or General James A. Ryan and in addition lobby for the ratification of the claims treaties.

Bursum accepted the finance minister's invitation and prepared to travel to Mexico City, but first informed J. B. Herndon, president of the State National Bank of Albuquerque, of his activities. He stressed

62. Bursum to Ryan, August 29, 1923, Bursum Papers.
63. *Albuquerque Morning Journal*, November 25, 1923, 1.
64. *Ibid.*
65. Ryan to Bursum (two letters), both dated September 6, 1923, Bursum Papers.
66. Robert H. Murray (Obregón's agent) to Bursum, September 3, 1923, Bursum Papers.

to the banker that De la Huerta was "dependable," a "fair dealer," and "absolutely a man of his word."[67] Herndon thought the cattle proposal was a "splendid one" and encouraged the senator to make the deal.[68] Word of Bursum's trip quickly spread throughout the financial community of the state.

On September 12, the senator then turned to Murray's letters. In his letter to Secretary Hughes, he recommended either Warren or Ryan for the ambassadorship. He added that he did not have "the least political interest in this matter and my only concern is the accomplishment of results which will be conducive to lasting benefits of all concerned."[69] Bursum then wrote to Warren and urged him to push for Ryan's selection, if he should decline the position himself.[70]

From the outset of Murray's mission, Ryan's chances of receiving the appointment did not look good. Murray met with Warren and learned that he did not want the ambassadorship, which eliminated Ryan's principal competition. But Bursum also learned that Ryan and Warren had made enemies in the oil industry because of their unwritten agreement over the question of Article 27. Warren related how he was accosted soon after he returned to Washington by Guy Stevenson, secretary of the Association of Producers of Petroleum in Mexico; C. O. Swain of Standard Oil; Frederick R. Kellogg, an oil industry attorney, and several others. They were harshly critical, he said, of the Bucareli Agreements and were particularly upset with the influence Ryan had on De la Huerta. Warren said that the oil men regarded Ryan as an opportunist who had betrayed the industry for his own ends.[71] This negative reaction meant trouble for Bursum's chief connection in Mexico City.

But the question of the ambassadorship lost its importance when the Mexican political situation went from bad to worse. Tensions began to rise during the summer of 1923 with the assassination of Pancho Villa, the Bucareli Conferences, and the growing concern over the upcoming presidential election of 1924. On September 24, De la Huerta resigned his cabinet post ostensibly over a disputed gubernatorial election in San Luis Potosí. He announced that he would run against Obregón's candidate for the presidency and fellow Sonoran, Plutarco

67. Bursum to J. B. Herndon, September 11, 1923, Bursum Papers.
68. Herndon to Bursum, September 12, 1923, Bursum Papers.
69. Bursum to Hughes; Bursum to Calvin Coolidge, both dated September 12, 1923, Bursum Papers.
70. Bursum to Charles B. Warren, September 12, 1923, Bursum Papers.

Elías Calles. Disaffected Mexicans across the political spectrum rallied around the former finance minister. The campaign soon turned ugly, and by the end of the year Mexico was again at war with itself.

Despite the political crisis, Bursum went ahead in early October 1923 with his trip to Mexico City to negotiate the cattle deal.[72] He stayed with Ryan and met with De la Huerta and other Mexican officials. He had no problem in reaching a tentative agreement with the government's agricultural loan agency, the Caja de Prestamos. But Mexico agreed to purchase between a million and a million and a half dollars' worth of New Mexico cattle only if it could collect a disputed five million pesos from the oil companies.[73]

On his return to the United States, Bursum at once began to look for alternative sources of financing. He knew that it might take months before Mexico settled its claims against the oil companies. He developed two plans: one involved Washington, the other Wall Street.[74] In the first plan, the Caja de Prestamos would issue three-year bonds at 6 percent to the War Finance Corporation. This plan was complicated: the War Finance Corporation already held a lien on the New Mexico cattle Bursum was trying to sell. In the second plan, the Caja de Prestamos would issue a sufficient number of bonds to use as collateral for borrowing from a New York house of finance. Under both plans Bursum intended to charge a 10 percent commission, which amounted to at least $100,000.[75]

Bursum approached the War Finance Corporation, but he had to do so indirectly, and at the state level. The banker J. B. Herndon acted for him.[76] Eugene Meyer, Jr., director of the federal loan agency, refused to allow congressmen to plead cases before the board because he wanted to keep politics out of his agency.[77] Bursum also worked behind the scenes to influence the New Mexican Loan Agency of the War Finance Corporation.

As it turned out, both of Bursum's plans fell through. H. V. Watson, chairman of the New Mexican Loan Agency, met Meyer in Denver in late October. The director agreed that the deal would greatly benefit

72. *Albuquerque Morning Journal*, October 11, 1923, 10. The official reason Bursum gave for the trip was to collect information pertaining to the Mexican claims treaties for use in the next senate session.
73. Bursum to W. D. Murray (president of the Silver City National Bank), October 12, 1923, Bursum Papers.
74. *Ibid.*
75. *Ibid.*
76. Bursum to Gregory Page, October 11, 1923, Bursum Papers.
77. Pusey, *Eugene Meyer*, 180.

New Mexico's cattle industry and banks, but he had serious reservations about the authority of the War Finance Corporation to accept Mexican bonds.[78] Meyer no doubt was concerned about the soundness of those bonds in the light of Mexico's political troubles. But even if Meyer had approved the deal or a Wall Street firm had accepted the Mexican bonds, the Caja de Prestamos would not have been able to keep its end of the agreement since Speyer and Company of New York, which owned a controlling interest in the Mexican loan agency, opposed the deal. A representative of the company explained the reason to Ryan. He said that Speyer and Company believed that the deal would lower the value of the rest of the Caja de Prestamos' bonds.[79] With Speyer and Company standing in the way, there was little chance that the cattle deal could go through.

From Bursum's perspective, that was only part of the bad news. The other part was that the press learned about the details of the cattle deal, notably that Bursum was going to receive a 10 percent commission. The New Mexican senator learned that a manager of the Caja de Prestamos had discussed the deal with reporters and that the story appeared in the El Paso papers.[80] But it was Bursum's former ally, Carl Magee, who did the real damage. Magee had left the *Journal* to start the *New Mexico State Tribune*. The editor had been secretly informed of Bursum's proposition by one of the members of the New Mexican Loan Agency, an attorney named John Simms.[81] Magee ran the story under the searing headline, "Are New Mexico Cattlemen to Be Mulcted?"[82] The matter of the commission was now public knowledge.

On October 22, two days after Magee's story appeared, R. E. Twitchell, an attorney of the Santa Fe Railroad and historian, wrote to Bursum and cautioned "that you had best give the matter of your interest in the transaction and in payment of any commission the most careful consideration . . . on account of your position as United States Senator."[83] To which Bursum shot back, "I am not in such a condition financially as to be able to afford to pay out all of the expenses incident to the carrying out of the transaction, and as a matter of philanthropy, donate the expenses to the benefit of the public."[84]

What had started out as a splendid little deal had become a major

78. Merritt C. Mechem to Bursum, November 1, 1923, Bursum Papers.
79. Ryan to Bursum, October 30, 1923, Bursum Papers.
80. Bursum to W. D. Murray, October 12, 1923, Bursum Papers.
81. Mechem to Bursum, March 1, 1925, Bursum Papers.
82. *New Mexico State Tribune*, October 20, 1923, 1.
83. R. E. Twitchell to Bursum, October 22, 1923, Bursum Papers.
84. Bursum to Twitchell, October 24, 1923, Bursum Papers.

political embarrassment. To make matters worse for Bursum, the revelations of his proposition coincided with the Senate investigation of Secretary Fall for secretly leasing oil reserves at Teapot Dome, Wyoming. The Democrats in New Mexico thus found the issue of corruption ready-made for the 1924 Senate election, which they used to help defeat Bursum.[85]

General Ryan had problems of his own. He was dismissed as a representative of the American oil companies over the protests of De la Huerta.[86] Ryan was convinced that the oil men were set on destroying his chances for the ambassadorship because of his role in the unwritten agreements between the United States and the Obregón government on Article 27. His suspicions were confirmed on November 16, 1923, when Calles released a public statement to the newspaper *Excelsior* that contained information that the oil men had furnished. In this statement, Calles angrily "denounce[d] . . . the machinations . . . of General James A. Ryan, who before petroleum interests and American bankers [was] seeking . . . to combat [Calles'] candidacy and help [Adolfo de la Huerta]."[87] Calles went on to demand that the U.S. State Department acknowledge whether Ryan's interloping had "official authorization in any form."[88]

The oil men and Calles had used each other. Through Calles the oil men were able to embarrass Secretary Hughes and discredit Ryan, thus ending further consideration of appointing him ambassador. Calles, in turn, gained politically by being able to portray his opponent, De la Huerta, as a tool of U.S. imperialism. This collusion of interests had left Ryan isolated. He could not even turn to De la Huerta. Ryan's usefulness to him had come to an end. In a low mood, Ryan expressed to Bursum that his opinion of oil men "was shattered."[89] Having no other recourse, the general left for San Antonio, Texas.

This turn of events was followed by the outbreak of civil war. On December 5, De la Huerta's forces occupied the port city of Vera Cruz.

85. Warren A. Beck, *New Mexico: A History of Four Centuries* (Norman: University of Oklahoma Press, 1962), 307.
86. Claude I. Dawson (consul general in Mexico City) to Hughes, November 16, 1923, *Records of the Department of State Relations to the Internal Affairs of Mexico, 1910–1929*, on microfilm (Washington, D.C.: National Archives and Record Service, 1959), file number 812.26518 (cited hereafter as *D.S.I.A.* and file number). Dawson, who was jealous of Ryan's influence, happily reported that Ryan's days as the unofficial "liaison between Washington and the Mexican governments" were over.
87. Summerlin to Hughes, November 16, 1923, *D.S.I.A.* 812.26515.
88. *Ibid.*
89. Ryan to Bursum, November 23, 1923, Bursum Papers.

His first priority was preventing another arms embargo between the United States and Mexico. The last one had been in effect from 1919 to September 1923, when the United States recognized the Obregón government.[90] De la Huerta wired Bursum on December 9, for help. "I implore you," he wrote, "to use your good offices and intercede . . . to see that all ships leaving [the United States] continue to sail [Mexico's] waters."[91] To plead his case, De la Huerta sent Enrique Seldner and other representatives to points north.[92] Seldner contacted the New Mexico senator as soon as he arrived in New York on December 14.

As it turned out, the Coolidge administration decided to sell Obregón ten thousand Enfield rifles and a half million cartridges, while cutting off private arms shipments to the rebel forces.[93] The United States was taking sides in the contest. Seldner protested the U.S. decision and tried to portray De la Huerta as a republican and a conservative in a fight against the subversion of constitutional government and "the establishment of a Soviet State" in the New World.[94]

Bursum tried a different approach. He joined Hiram Johnson, William Borah, George Norris, and other isolationists who opposed Coolidge's arms sales to the Mexican government.[95] Bursum hoped that if enough pressure were brought to bear on the administration, it might reverse course and adopt a policy of neutrality. He disingenuously defended this position, explaining that "American liberty was born out of revolution so that I cannot conceive how we can consistently place the ban on all revolutions which may occur in foreign countries."[96] Neither Seldner nor Bursum was successful in his efforts to support De la Huerta, and Coolidge and Hughes continued to back the Obregón government. De la Huerta himself soon appeared in New York to launch a personal diplomatic offensive. Bursum told him that he risked being deported if he met with U.S. officials.[97] In May 1924, five months after it had started, the rebellion was put down. It had cost 7,000 lives.

Bursum's Mexican Ring was one of the casualties of the rebellion. The disintegration of the ring was certainly no misfortune for either Mexico or the United States. There was little chance that Bursum could

90. Brush, "The De la Huerta Rebellion," 162.
91. De la Huerta to Bursum, December 9, 1923, Bursum Papers.
92. *New York Times*, December 15, 1923, 2.
93. Brush, "The De la Huerta Rebellion," 169, 179.
94. *New York Times*, January 1, 1924, 2.
95. *Ibid.*, 1.
96. Bursum to Hugo Seaberg, January 30, 1924, Bursum Papers.
97. De la Huerta, *Memorias*, 273.

Plutarco Elías Calles and Alvaro Obregón. Photo courtesy of Archivo General de la Nación, Mexico City.

have formed another ring in Calles' Mexico. That country was now able to withstand such foreign manipulation. The year 1924 had thus proved to be a turning point in Mexico's history. That year was also a turning point in New Mexico's history. With the passing of the territorial leaders of Bursum and Albert Fall from public life, a long and colorful era in New Mexico's history finally drew to a close.[98]

98. After his senate defeat, Bursum devoted himself to his own business affairs. In 1953, he died in a sanitarium at Colorado Springs.