Article Title: “A Kindness to Carranza”: William Jennings Bryan, International Harvester, and Intervention in Yucatan


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Article Summary: In 1915 Secretary of State William Jennings Bryan endorsed a plan for military intervention in Yucatan (Mexico) which would benefit the International Harvester Corporation. He was to learn very soon that his new Latin American Policy was easier in rhetoric than in deed.

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Photographs / Images: Secretary of State William Jennings Bryan; President Woodrow Wilson; Mexican revolutionary Venustiano Carranza
Secretary of State William Jennings Bryan
In 1915 Secretary of State William Jennings Bryan, the crusader against trusts and the denouncer of gunboat diplomacy, endorsed a plan for military intervention in Yucatan which would benefit the International Harvester Corporation, better known in Bryan's rural-reformist circles as the "harvester trust." The irony of Bryan's using such methods to aid a corporation he disliked is historically noteworthy, but even more significant is the fact that this minor incident revealed a developing pattern in Wilsonian diplomacy.

As in a variety of other manufacturing fields, competition among the manufacturers of farm machinery had become intense by the 1890's. During the 1880's and 1890's a "harvester war" or "binder-twine war" reduced the number of companies in the field from one hundred to fourteen and there were pressures for further consolidation. In 1902 George W. Perkins of J. P. Morgan and Company took advantage of these pressures to merge two of the larger farm machinery companies, the McCormick Harvesting Company and the Deering Harvester Company, with several smaller companies. Cyrus Hall McCormick, son and namesake of the inventor, became the president of the newly formed International Harvester Corporation.
The larger farm machinery companies, and particularly the International Harvester Company, were favorite targets for agrarian discontent. Perhaps farmers were hypercritical of companies with which they had necessarily close relationships, but in fact the companies often behaved outrageously. Within a few years of the formation of the harvester trust, farmer complaints had pushed several farm states, including Arkansas, Kansas, Kentucky, Missouri, and Texas, into either passing laws regulating the prices of agricultural machinery or into filing state anti-trust suits against the corporation. Although such state efforts were seldom successful, they demonstrated a general discontent with the behavior of International Harvester which led eventually to national action.3

As a member of Congress from 1890-1894, William Jennings Bryan reflected the views of his Nebraska constituents by opposing the granting of federal subsidies to the manufacturers of binding twine, which was one of the profitable subsidiary enterprises of many makers of farm machinery.4 The lines were thus set from the outset of Bryan’s political career, and in 1896 Cyrus McCormick deserted his habitual ties to the Democratic Party in order to oppose “Bryanism.” If Bryan won, McCormick informed his employees, the McCormick Company would have to close down.5 Such tactics, many times repeated by other businessmen, helped to defeat Bryan in the 1896 election. It was small wonder that thereafter Bryan opposed the farm machinery companies.

Following the creation of International Harvester in 1902, Bryan focused his animosity upon that company. The company, he believed, exploited its own workers and the public as well.6 In 1906 complaints about the harvester company from Bryan and others led the United States Senate to call for an investigation. Conducted by the United States Bureau of Corporations, the investigation showed that the company had indeed acted improperly, though perhaps not so scandalously as many agrarian reformers believed.7 Nevertheless, enough evidence was gathered against the company so that Attorney General George W. Wickersham of President Taft’s Cabinet filed suit to dissolve the corporation. In 1914 the United States District Court of Minnesota ruled that the 1902 combination did indeed violate the Sherman Act and that the harvester trust should be dissolved into three separate companies. Four years later after
considerable further litigation, the company reached an out-of-court settlement by selling off the three least profitable of its five lines of farm machinery and by limiting itself to one dealer in any town rather than several.8

While the legal processes were still in their early stages, the harvester trust again emerged briefly as a minor political issue. Because George W. Perkins, who had been the chief architect of the harvester trust in 1902, was a leading figure in Theodore Roosevelt's Bull Moose Party, the Democrats charged that Roosevelt had been soft on the harvester corporation as a result of his friendship with Perkins.9 The irony of this situation, however, was that the Democrats were far more vulnerable to charges of collusion with International Harvester than were the Progressives. Cyrus McCormick, president of the company, was a friend of Wilson's and a trustee of Princeton University as were the brothers, Thomas D. and David B. Jones, members of the board of International Harvester.10 In the months before the 1912 convention, McCormick donated $12,500 to the Wilson campaign, and the Jones brothers contributed another $21,000. Following the convention, the Jones brothers gave $20,000 more, and Cyrus McCormick offered another $12,500.11 Arthur Link argues, "There is not the slightest evidence to indicate that . . . Wilson . . . made any practical commitments in exchange for financial contributions, or that Wilson was subsequently influenced by his financial backers." But Link also goes on to say, "It is perhaps coincidental but nevertheless interesting that Wilson never once denounced the harvester trust in his campaign speeches, although he criticized freely several of the other leading trusts."12

Bryan was slightly more sensitive than Wilson about the propriety of accepting large contributions from the officers of a company involved in anti-trust litigation with the government. Upon hearing of Cyrus McCormick's second donation of $12,500, Bryan strongly urged Wilson to return it and offered to make up the deficiency himself. After conferring with McCormick and another Princeton trustee, Cleveland Dodge, Wilson agreed that it would be wise to return a gift so closely connected with a name suspect among western farmers.13 Neither Bryan nor Wilson, however, carried their sensitivity so far as to return McCormick's earlier donation or the donations of
the Jones brothers. Even the Democratic proponents of political morality had to finance their campaign.

Once in office, Wilson and Bryan (now secretary of state) soon made it clear that the contribution of a total of $53,500 had purchased no special favors for International Harvester. Not only did Attorney General James C. McReynolds continue to press the anti-trust suit which had been initiated during the Taft administration, but Bryan cast a suspicious eye upon the international behavior of the company. In November of 1913, he wrote to the President to complain that the company was buying large quantities of sisal hemp in Yucatan and that the profits were going directly into the coffers of the Mexican dictator, Victoriano Huerta. "Do you know of anything we can do?" he asked Wilson. "I feel as concerned as you do..." the President replied, "but I do not see anything that we could do in the circumstances." As Bryan himself pointed out, putting pressure on International Harvester to suspend sisal purchases would simply open the market to some other company. Apparently Bryan did not regard it as fair to recommend a course of action which would benefit the company's competitors but which would not accomplish the primary goal of weakening the Huerta government. In Bryan's view the regulation of corporate morality was a function of the Department of Justice not of the State Department.

Although Bryan did not wish to have the State Department scrutinize the internal practices of companies doing business abroad, he also made it clear that he would not use the State Department to back up shady practices overseas. As early as 1905, he argued that the United States should give up the use of the Navy as a debt collector for private businessmen in Latin America on the grounds that some firms had exploited the people and then expected the Navy to bail them out of difficulties. Such behavior was not only morally repugnant to Bryan, but more importantly, he believed that in the long run American businesses would make greater profits by cultivating good will and obeying local laws than by using strong-arm methods. "We open the doors of those countries to our investors most surely," he told the members of the Pan American Union in May of 1913, "when we assure those people that every man going from the United States will be expected to carry a high sense of honor with him, and to give those people a dollar's worth of
service for every dollar that he asks from them as recompense.”17 If businessmen would behave in this exemplary fashion, Bryan was eager to support them with the full resources of the government. To that end he recommended a program of federal loans to Latin American nations, supported a proposal for the arbitration of all Western Hemisphere disputes, and proposed schemes for cultural exchanges between the United States and the Latin American nations.18 These ambitious programs came to little, but they clearly indicated that the secretary hoped to pursue the traditional goal of enlarging commercial opportunities for American business without the taint of intimidation which had in the past, he felt, driven away more customers than it secured.

Secretary Bryan soon discovered that his new Latin American policy was easier to embody in rhetoric than in deed. Domestic politics prevented the administration from offering an apology and indemnity to Colombia for the seizure of Panama, and concern for the security of the Panama Canal and a desire to promote democracy led to meddling in the internal affairs of several Latin American nations. Symbolic of these difficulties, on a small scale, were Bryan’s continuing troubles with the International Harvester Corporation and sisal in Yucatan.

In February of 1915, some 200,000 bales of sisal hemp scheduled for export to American manufacturers of binder twine became casualties of the continuing Mexican revolution when Venustiano Carranza, self-proclaimed “first chief” of the
revolutionary movement. declared a blockade of the ports of Yucatan. The State Department promptly protested this action and requested the opening of at least the port of Progreso, but to no avail.19

By the beginning of March, the situation was becoming complicated for the State Department. Manufacturers of binder twine were loudly demanding that the government get Progreso reopened immediately so that they could prepare for the coming harvest season.20 At the same time, however, Bryan must have been uncomfortably aware that 119,000 of the 200,000 bales of sisal at Progreso were owned by International Harvester,21 and it was also becoming painfully likely that force would be necessary to get the ports opened. In short, it was probable that the secretary might have to surrender his own long-held and deeply felt aversion to the use of force in diplomacy in order not only to protect American business interests abroad, but more particularly, to assist a trust which he had long considered objectionable.

A large part of Bryan's dilemma was self-created. He believed, and often said, that the conduct of government was a simple process involving no more than a choice between right and wrong. "The great political questions are in their final analysis great moral questions," he said in 1896. In 1922, even after his unpleasant experiences in the Wilson Cabinet, he said, "government problems are not complicated; they are simply big."22 This philosophy left him ill-equipped to make governmental decisions which required acceptance of solutions not entirely consonant with his ideals. When such questions arose, Bryan simplified them in his own mind until they became moral issues with which he could deal. Thus in the sisal controversy, the fact that the farmers needed binder twine became Bryan's dominant concern; other objects of policy such as the idealistic renunciation of force in international relations and the elimination of a trust were subordinate to this central idea. In his view it was right that farmers should have the means they needed to get their crops in; therefore, means otherwise unacceptable were justified.

Indeed Bryan's decision in the case was never really in doubt. As soon as news of the closing of Progreso was received, a warship was sent there to "render such assistance and protection to American shipping as the circumstances may require," and
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the ship remained in the vicinity throughout the subsequent negotiations for the reopening of the port. The negotiations were thus conducted from the beginning under the implied threat that if diplomacy failed, force would be used.

During the first two weeks of the crisis, it appeared increasingly likely that force would be necessary. Despite the importunities of the State Department, Consul John R. Silliman, who was handling the American side of the talks with Carranza, reported that the first chief was inflexible. On March 9, however, came an apparent breakthrough when Silliman reported an offer from Carranza to open Progreso provided that export duties and the payment for the sisal were guaranteed to Carranza and that the Americans promised not to attempt to import goods into Progreso. Bryan accepted this opportunity but warned Silliman that the people of Yucatan might refuse to sell their sisal unless they were allowed to buy food in return. Both the secretary's agreement to Carranza's proposal and his concern about Yucatan proved irrelevant when Silliman next approached Carranza, however, because the American was abruptly informed that the first chief had changed his mind. Instead of lifting the blockade, Carranza had now decided to bombard and attempt to take the town of Progreso. If he succeeded the port would be opened; if he failed, it would remain closed.

This threat put a new complexion on the matter. Not only had diplomacy failed, but there was a danger that bombardment would destroy the sisal then lying in Progreso's warehouses. On the morning of March 12, before Silliman's latest report was received, a Cabinet discussion of the matter had been inconclusive, but upon hearing the news that evening, Wilson came to a decision: "I think that we are justified . . . ," he wrote to Bryan, "in saying to Carranza that we cannot recognize his right to blockade the port to the exclusion of our commerce," and he concluded that, if the first chief refused to lift the blockade, the United States should "instruct our naval officers there to prevent any interference with our commerce to and from the port." The President's decision apparently brought home to Bryan the fact that he was not choosing between right and wrong, but that he was deciding between two equally unattractive alternatives. He tried to convince himself that intervention would
really be doing "a kindness to Carranza" because it would "restrain the employment of force within the smallest possible limit just as we did at Vera Cruz."\(^{29}\) This argument evaded the real issue, which was not whether intervention could be limited, but rather whether intervention was justified at all.

Whatever the secretary's private doubts, he loyally supported the President, and during the evening of March 12 he prepared an ultimatum to Carranza. Approved by the President the next morning, the message was sent to Silliman to be delivered as soon as possible.\(^{30}\) On March 14 Silliman, who had not yet been able to see Carranza, reported that the Mexican gunboats blockading Progreso had been withdrawn to Vera Cruz. It was possible, the consul thought, that Carranza had given up the attempt to take the port.\(^{31}\) This impression was confirmed the next day when Silliman saw Carranza. The blockade had been lifted, said the first chief, and Silliman gladly put away the American ultimatum without delivering it.\(^{32}\)

Thus the crisis ended in anticlimax. Bryan put his dilemma behind him and took pleasure in informing concerned farmers and manufacturers that an adequate supply of sisal would soon be available.\(^{33}\) Even a courtesy call by Cyrus McCormick upon the secretary to thank him for his efforts in the sisal affair apparently aroused in Bryan no sense of the delicate ironies of the situation through which he had recently passed.\(^{34}\)

It is tempting to the historian, with the wisdom of hindsight, to judge the actions of individuals in the past. That is not my intention in this case; rather my intention is to describe an incident which seems to illuminate an important aspect of Bryan's political philosophy and to explore, in a limited case, the manner in which Bryan's moral diplomacy shaded over into "moral imperialism."\(^{35}\)

Bryan's tendency to see all issues in terms of a moral choice between right and wrong was both one of his greatest strengths as the leader of the opposition and one of his most serious limitations when in office. In opposition, the trait enabled him to simplify and clarify issues for his followers, to criticize the incumbents without hesitation or equivocation, and to suggest clear-cut alternatives to policies currently being followed. Once in office, however, his tendency to oversimplify could easily lead him to miss the full ramifications of a problem and to make decisions upon faulty grounds. Furthermore, his tendency to see
everything in moral terms confused him in situations where there was no clearly “right” choice. Nothing in his experience prepared him to make decisions by weighing gradations of national self-interest rather than moral absolutes, yet this was exactly what he was frequently called upon to do as secretary of state. Bryan himself was at least partially aware of his limitation. In 1906 he wrote, “I don’t know that the Presidency will ever be my proper place. I do know that the advocacy of what I consider right is always my proper place.” This rare bit of self-analysis was forgotten in the excitement of being part of the first Democratic administration in sixteen years, but as time passed, Bryan gradually discovered that he had been far happier and more successful in opposition than in office. In part his resignation in June of 1915 was based upon this discovery.

Perhaps more significant than what the sisal incident revealed about Bryan’s character was what it revealed about Wilsonian diplomacy in general. Bryan and Wilson came into office in 1913 with the clearly expressed intention of renouncing power politics and establishing American diplomacy upon a new basis of morality and justice. That ambition may well have been commendable, but it proved unrealistic. In the sisal incident, for example, morality offered no clear guidance for policy. On the contrary, three desirable ends seemed to be in conflict: The aim of “busting” a trust was in conflict with the goal of helping the American farmer, and the farmer seemingly could not be helped without resorting to the coercion of Mexico. The administration was tempted to conclude that a limited use of force was justified.
What was more, Bryan and Wilson as moralists were perhaps quicker to conclude that transgressors against their will must be punished than diplomats who look at issues from the more pragmatic viewpoint of national self-interest.

The decisions which Bryan and Wilson reached were not necessarily wrong, but they were perhaps over-hasty and based upon an over-simplified analysis of the situation. A more pragmatic administration might have been slower to give up on diplomacy, but sooner or later American self-interest and political pressures from farmers and twine manufacturers would have compelled vigorous action if Carranza refused to yield. Nevertheless, the administration’s tendency to see all disputes as moral problems and to react with force when diplomatically thwarted was amply demonstrated by the sisal controversy. A similar pattern was evident in the occupation of Vera Cruz the previous year, and it would appear again before the year was out in Haiti and the Dominican Republic. Quite probably only the shrewdness of Carranza in lifting his blockade before an American ultimatum made retreat humiliating prevented the pattern from appearing in a Yucatan intervention as it did elsewhere. In the reliance which the advocates of peace placed upon the employment of force there was not only some irony but potentially serious consequences as well.

But a confusion over methods was not the only problem of Bryan’s and Wilson’s Mexican policy in this case. They were equally confused over their basic aims. In January Bryan told the American Peace Society that Americans must learn from the Mexican experience not to let trivial conflicts escalate into war, but two months later he endorsed military intervention to solve just such a minor conflict.37 As had been the case at Vera Cruz the year before, when the chips were down Bryan and Wilson did not regard any issue as a trivial conflict. Confident that they knew what was good for Mexico, they refused to be balked. Although in this particular case the actual conflict was over a matter of purely economic interest to the United States, the intensity of Bryan’s and Wilson’s feelings obscured their own motives. A case of self-interest was transmuted into a moral imperative, and a minor issue approached the insoluble. Had Carranza not been more reasonable than the Americans, the result would surely have been grave.
NOTES

1. Cyrus Hall McCormick (1859-1936) was president (1884-1902) of the McCormick Harvesting Company, which was founded by his father. Upon the formation of International Harvester he became president (1902-1919) and later chairman of the board (1919-1935). He served as a trustee of Princeton and supported Woodrow Wilson’s efforts to reform the university.


3. Ibid., 228-229.


6. The Commoner, I. January 23, 1901, 5; II, May 1, 1903, 7-8; IV, April 22, 1904, 1; VII, April 3, 1908, 3.

7. Whitney, Antitrust Policies, 229. The Bureau held that the company: (1) concealed its ownership of four firms it had acquired; (2) monopolized the services of too many dealers; (3) coerced some dealers into handling International Harvester products only; (4) tried to impose resale prices; (5) used harvester profits to introduce new products at below-cost prices; (6) allowed its salesmen to discredit competing lines.

8. Ibid., 230.


10. Thomas Davies Jones (1851-1930) was a director of the International Harvester Corporation and a trustee of Princeton (1906-1912), where he supported Wilson. Wilson appointed him to the Federal Reserve Board, but his name was withdrawn from the Senate when there was an outcry over his connection with the harvester company. David Benton Jones (1848-1923) was also a member of the board of the International Harvester Company, a trustee of Princeton, and a friend and supporter of Wilson.


12. Ibid., 404, 485.

13. Paolo E. Coletta, William Jennings Bryan: II. Progressive Politician and Moral Statesman, 1909-1915 (Lincoln: University of Nebraska Press, 1969), 80. Link, Wilson: The Road to the White House, 485, gives an interpretation of this incident which differs slightly from Coletta’s. Both agree, however, that the original protest against accepting McCormick’s donation came from Bryan. The Wilson campaign was well financed, and it was thus unnecessary to take Bryan up on his offer to make up the $12,500 returned to McCormick.

14. Sisal hemp or sisal: the prepared fiber of any several species of Agave and Fouquieria. Used in the manufacture of rope or, in this case, twine for binding sheaves of wheat.

15. Bryan to Wilson, November 17, 1913; Wilson to Bryan, November 19, 1913; in Woodrow Wilson Papers, Manuscripts Division, Library of Congress.


19. Secretary to Consul John R. Silliman, February 24, 1915; Silliman to Secretary, February 27, 1915, March 2 (two telegrams), March 3, 1915, *Papers Relating to the Foreign Relations of the United States, 1915* (Government Printing Office, Washington, D.C., 1924), 821-822. Secretary to Silliman, March 1, 1915, State Department Records, National Archives, File Number 612.1123/40 (hereafter cited by file number only). The blockade was a part of Carranza's continuing effort to consolidate his control over Mexico. On this point see M. Foreheimer Grocery Company to Secretary, February 27, 1915, Counselor Robert Lansing to M. Foreheimer Grocery Company, March 5, 1915, both 612.1123/45. 200,000 bales (36,000 long tons) represented about 20% of the annual exports of sisal from Yucatan.

20. There are more than two dozen protests against the closing of Progreso in the State Department files, in the series 612.1123/. The majority come from various cordage and rope manufacturers, but there are also some from shipping companies, politicians of the rural states, and the wardens of state penitentiaries having rope factories.

21. George A. Ranney (secretary of the International Harvester Company) to Secretary, March 5, 1915, 612.1123/74.


23. Counselor Lansing to Munson Steamship Line, February 27, 1915, J. C. Groundyke to Secretary, March 8, 1915, Secretary to J. C. Groundyke, March 10, 1915, 612.1123/41/42 (two telegrams).


25. Silliman to Secretary, March 9, 1915, 612.1123/67.


27. Silliman to Secretary, March 12 (two telegrams), 1915, 612.1123/106, 107.


31. Silliman to Secretary, March 14, 1915, 612.1123/118.


