

OIL, EMPIRE AND REPUBLIC; FEASIBILITY STUDY FOR OIL SETTLEMENTS IN SOUTH VERACRUZ, MEXICO, 1865

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In the current Mexican historiography, the period from 1863 until 1867 is defined as the *Age of the Second Empire*. In those years Maximilian Asburgo Lorena, Archduke of Austria, who was proclaimed emperor of Mexico in 1864, proceeded to outline a wide-ranging plan for the economic development of the country. The empire would not only work to expand agriculture and exploit Mexico's mineral resources, but also establish a comprehensive network of railroads, steamships, and telegraph lines. No longer would Mexico have to rely on gold or silver, the emperor noted, but would be able to exploit *important products* such as copper, iron, coal, mercury, and, for the first time in the Mexican mining history, petroleum.

The political elite of the Second Empire, largely coming from Europe, was seriously intentioned to expand Mexico's economic base and integrate it into an emerging global economy through the interaction of new technologies, the incentive of scientific investigation, and the general reorganization of legislative system. It is possible to say, under several points of view, that Mexico was poised to enter the world's economic stage. During the early part of 1864, two bodies of laws were enacted concerning mining development and the regularization of its practice. Throughout this process, petroleum received special attention from the imperial officers. The benefit of oil in the economy of producers' and traders' countries was evident to all. Many European countries started to set national oil policies for their own territories; Netherland and United Kingdom both tailored these policies for their interest in their colonial possessions, respectively the Dutch West Indies (currently Indonesia), and India. Likewise, Mexico was finally looking to set in motion the mechanism of oil production to feed into, and develop, the internal market and was looking to start an ambitious export policy, all in a very short time. Between 1864 and 1865 several oil concessions along the Gulf Coast area were released; the largest share of those mining rights were granted to foreigner entrepreneurs, who were looking at Mexico as a rich oil land with the same potential of Pennsylvania and Ontario. Despite of all these good intentions, many concessions barely started or were cancelled due to the lack of progress. Many more never even got off the drawing board.

The aim of this presentation is to depict the main conditions – matters and difficulties – that characterized the Mexican oil industry sector during the Second Empire, through the analysis of the case history of John McLeod Murphy. A former officer of the U.S. Navy, Murphy was a New Yorker engineer

who travelled in South Mexico in the early 1850s as member of a scientific survey that crossed the Isthmus of Tehuantepec. During this venture, he observed the numerous oil springs and pitch lakes scattered around the Atlantic Plains of the Isthmus. Then back in New York, after Murphy observed, with great interest, the money turnover generated by oil, he resigned his commission after the service in the Civil War, he decided to move again to Mexico and take advantage of the opening of the Empire to foreign investors willing to bet on the static, but hungry for fresh capital, Mexican economy.

Murphy, as a witness to this time, left an important record of his short venture in Mexico. His words, when contextualized with others primary sources, have provided the key for an interpretation of the real meaning of *making oil* during the 1860s in Mexico. Geographic survey, geological interpretation, logistic, cost evaluation, and logistical supplying are all examples of the elements proposed in Murphy's 1865 *Report on Petroleum in Mexico*, which was a feasibility study on the possibility of building oil settlements in South Veracruz; thus making Murphy one of the U.S. founders of the Mexican petroleum industry.