

Albert Fall pirated the Navy's oil

by Peter Wild

The judge hustled down from the bench to join the posse galloping off over New Mexico's cactus-studded hills. Handy with a six-gun, he was rumored to have sent a man or two over the Great Divide.

For these and other qualities, he eventually became Secretary of the Interior, the nation's largest land steward.

In contrast is the lackluster image of most bureaucrats. Those paper shufflers have to "go along in order to get along" and can't afford the dash attributed to, say, cowboys, taxi drivers, or opera singers. That's how common wisdom would have it.

Granting some accuracy to the picture, one public office has broken the rule consistently. Secretaries of the Interior through the decades have been colorful, if not always admirable. As a young student - revolutionary in Germany, Carl Schurz eluded Prussian soldiers by scurrying through sewers -- a pistol clutched in one hand and a bottle of wine in the other. Later, as Interior Secretary under Rutherford B. Hayes, Schurz caused timber thieves to gnash their teeth at his sense of justice and "damn the torpedoes" bluster.

A different sort was the curmudgeon Harold Ickes. During his tenure with President Franklin Delano Roosevelt, Ickes called Gifford Pinchot, first head of the Forest Service, "the Lot's-wife of the conservation movement." Whereupon Pinchot clubbed back by labeling Ickes "the American Hitler."

In general, Secretaries of the Interior have added zest to Washington, whether they are struggling with corporate Titans over coal leases in Alaska or churning up a little tempest in a teapot over the Beach Boys.

There are two reasons for this. First, a Secretary makes a large target. His responsibilities are far-flung -- ranging from national parks, minerals, oil and forests to water on about one-fourth of the nation's land. Add to that the welfare of one-half million American Indians. A Secretary can hardly make a move without drawing fire from some quarter.

Second is the fantastic size of the fortunes under his control: billions of dollars of oil leases and contracts for board-feet of timber, the honey that draws the proverbial flies of corruption. It takes a big person to steer a virtuous course through such tempting waters, and when men have succumbed, they have tended to do it in a big way.

An example of one who succumbed to greed is the boisterous judge, Albert B. Fall. The "B" stood for "Bacon," which together with his surname turned out to be prophetic. For sixty years ago, Fall caused the greatest public scandal in the history of the Interior Department.

The door opened on it slowly in 1923, but when it at last stood wide, millions of dollars in bribes and one of the sleaziest land grabs ever to rile the public came tumbling out.

Not that Fall, for all his stentorian qualities, could have brought it off alone. Skull-duggery of such scope required the right blend of noxious conditions in high places.

Highest, of course, was the Presidency. According to the suspicions of historians, oil money put Warren G. Harding into the White House in 1921. The former senator had been a tuba player in the hometown band and a familiar face in the town's brothels. He would have been happy to ignore his ambitious wife and remain in Marion, Ohio, glad-handing the locals while cutting legal corners now and then for his political bosses. But eager to please backers, he was just what the wheeler-dealers wanted.

As President, Harding held court in what became known cynically as the "Little Green House on K Street." It was a speakeasy, where hustlers big and small buzzed about the Presidential poker table paying protection money, buying pardons for criminals, dipping into money intended for disabled veterans, and arranging to make off with tons of supplies donated to the Red Cross.

As for conservation, Harding hardly acknowledged the word. To him, the country's natural resources were so many prizes in the friendly lottery he was running. In some ways, the spineless man could be pitied - if

one can overlook the damage he did. One of Theodore Roosevelt's daughters summed up our twenty-ninth chief executive this way: He was "not a bad man, only a slob."

Albert B. Fall was Harding's opposite in several ways. No easy-going shilly-shallier, Fall worked gold mines in bandit-infested Mexico, owned a ranch in New Mexico, and parlayed his jerkwater judgeship into a U.S. Senatorship. A super patriot, Fall believed that the United States should grab politically troubled Mexico, by force of the U.S. Cavalry if necessary.

There was, in fact, a good deal of the frontier about this man who had wrested a living from the frontier. If he hadn't been such a crook, he might have been a hero.

Upon his appointment as the steward of America's public lands, a journalist lightheartedly described him as a character fit for a dime-store Western. The reporter then turned serious at Fall's penetrating blue eyes, which measured the world from beneath the brim of a cowboy hat -- "the sort of eyes that one learned to beware of..."

Like Harding, Fall cared not one whit for conservation. He believed the country's resources should be used now, not husbanded for future generations. And if Albert B. Fall or his sticky-fingered friends ended up among the users, so much the better. After all, they were the experts at turning forests and natural lands into money that kept the economy humming.

Even as a small-time rancher in hardscrabble New Mexico, Fall put his theories into practice. Rangers counted 6,000 of his sheep running within a nearby national forest. Fall was authorized 2,000. The rest were eating government grass under the blessing of phony permits drawn up by himself. Caught red-handed, Fall raged to the Forest Service that it would "rue the day" it interfered with private enterprise. It was a promise Fall would keep.

One of Fall's first acts at the Department of Interior was to pack up elegant furniture worth thousands of dollars left him by vacating Secretary Lane and ship it off to grace his own ranch. That was just the start.

An opponent of anything pro-

gressive in general, and of the conservation accomplishments of the last three Presidents in particular, Fall looked on Alaska as a territory "bright" for looting, as he put it. The cabinet member then kept his word to the Forest Service by attempting to get the national forests transferred from the Department of Agriculture to his own agency. There they could be properly and promptly exploited.

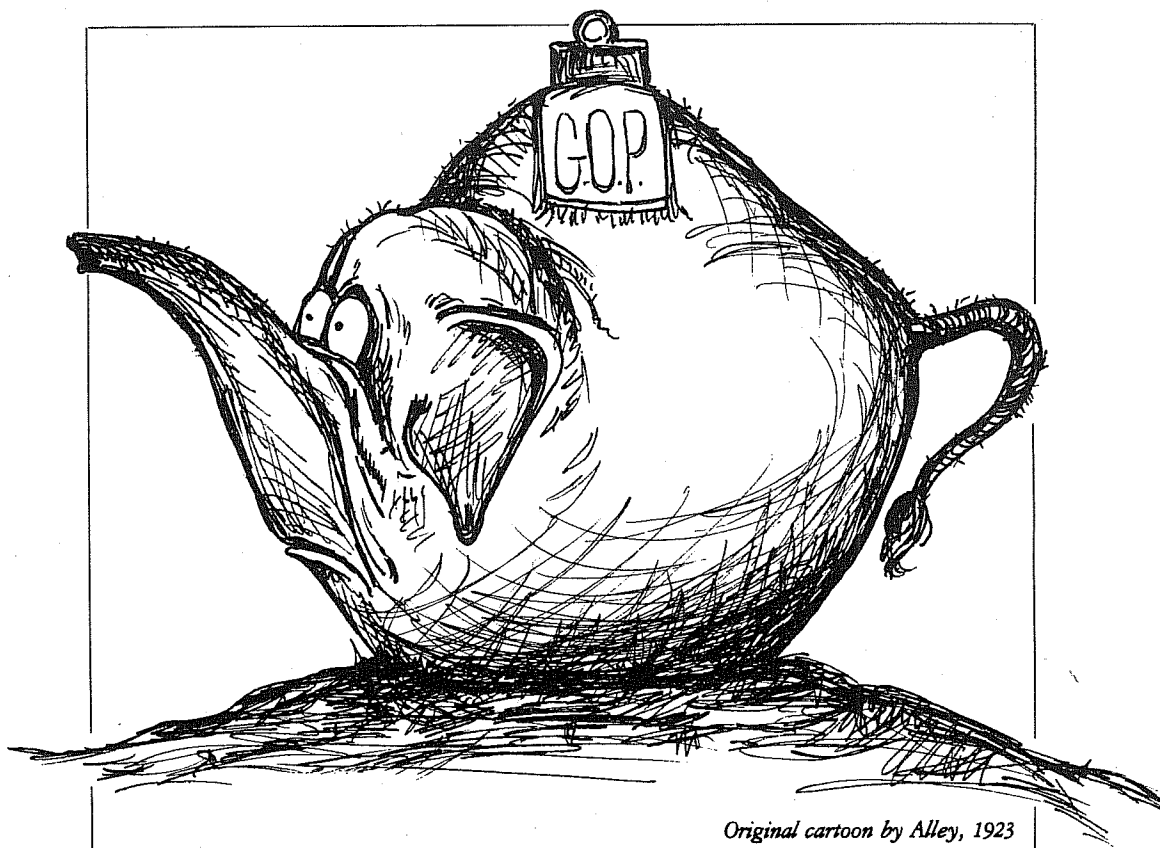
Within three months of taking office, Fall was able to maneuver naval oil reserves from the Navy Department to Interior. The better to "manage" them, Fall said.

Where were the conservationists? Though their friends in Congress stalled much of Fall's mischief, they had almost no direct influence within the Harding administration. In the heady days of the flapper and the soaring stock market, the public let its guard down. The cry was to get back to "normalcy" after the hardships of World War I. To the Harding gang, that meant "anything goes." Fall proved it by proposing a national park for New Mexico, with his ranch house in the middle of it.

Though Secretary Fall didn't get his private national park, folks did begin to notice some strange doings out at the Fall ranch. The private railroad car of oil magnate Harry Sinclair started showing up at the nearby Three Rivers station. Fall bought the ranch next to his and began putting in roads and an expensive irrigation system. His stock increased, including among its numbers a blooded race horse. Fall's government salary was modest, and because of drought and market conditions, these were hard times for most ranchers. Reporters started snooping around.

Meanwhile, back in Washington, Congressmen were opening letters from the oil industry. Quick on the trigger about favoritism in their competitive business, the oil men wanted to know if there were any substance to the tales about leases granted -- without public bidding -- to Sinclair's Mammoth Oil Company.

Progressive politicians who had sat helpless on the sidelines watching the corruption of the Harding gang began to listen. Still, the public was not eager to rock the boat of post-war



Original cartoon by Alley, 1923

optimism. For many, the President remained a "good fellow."

In this lackadaisical climate the former Secretary might have escaped retribution through a less than aggressive investigation of his leasing policies.

Senators nodded through the testimony of witnesses and when asked if he had ever accepted illegal payments while at Interior, an indignant Fall huffed: "I have never even suggested any compensation and have received none." There the matter might have ended.

Except for Senator Thomas J. Walsh of Montana. Like Fall, he was a self-made man, but unlike Fall he was one who had spent his life fighting, rather than encouraging, shady deals. As a lawyer in Helena, he had struggled against the copper interests' stranglehold on the state's politics.

Schooled by the battles within Montana, in 1923 Walsh began doing his homework on Fall, poring over records and piecing together bits of information. The Senate Committee on Public Lands became the first of several civil and criminal investigations which lasted a decade.

The trail led Walsh's committee to \$100,000 delivered to Fall in a "little black bag," as the courier described it. That wasn't all. When finally added up, the total that Fall had received for favors amounted to more than \$400,000 -- an enormous sum for the day.

Chief among his favors was a go-ahead permitting Edward Doheny to pump oil of astronomical value from government fields in Elk Hills, California, and Harry Sinclair to sack Teapot Dome, near Casper, Wyoming. These were oil reserves specifically set aside to fuel the Navy's fleet in case of wartime emergency.

The nation gasped. And then it gasped again as subsequent trials revealed the array of corruption infecting the Harding administration. Just like Watergate fifty years later, evidence emerged accompanied by breakins, attempted coverups, and

threats to witnesses. Things began falling apart as the investigators churned on.

It took a decade, but not only did Sinclair and Fall go to jail, bodies also began to appear -- not the least of which was that of the President. Some people speculated that the cerebral hemorrhage he died from in the summer of 1923 was caused by shame and the betrayal of his cronies.

The national circus was not without its comic relief as the accused squirmed. Historian Frank Graham, Jr. notes that:

Archie Roosevelt, one of Theodore Roosevelt's sons, brought fresh grist for Walsh's mill. Until recently young Roosevelt had worked for the Consolidated Oil Company, another part of Harry Sinclair's empire. Quite by accident he had learned that Sinclair's private secretary had sent \$68,000 to Fall at his ranch. Upon being questioned by Walsh, the private secretary contended it was all a misunderstanding, that he had said "six or eight cows" had been sent to Fall and that Roosevelt had mistakenly thought he had said "sixty-eight thou."

There was rhyme amid the carnage. This tidbit was penned by Senator J. Thomas Heflin of Alabama about oil lease conspirator Edward Doheny:

Abou Dough Heenie [may his tribe increase!]

Awoke one night from a deep dream of peace

And saw within the moonlight in his room

Making it rich and like a lily in bloom

A Senator writing in a book of gold. Enormous wealth had made Dough Heenie bold;

And to the Senator in his room he said:

"What writest thou?" The statesman raised his head,

And with a look which made Abou boil

Answered, "The names of those who seek for oil!"



ALBERT B. FALL

A look at one of the West's historic plunderers - a thoroughly rotten man

... And showed the names of those whom Fall liked best And lo! Dough Heenie's name led all the rest.

A healthy nation can laugh its way through dark times.

But what about the moral to be drawn from the sordid story? We won't repeat the old saw about "eternal vigilance ..." But we will say that in the 1920s the public took a "That's so horrible he wouldn't

possibly do that" attitude. Twice juries failed to convict Fall of conspiracy, finding him guilty only of taking bribes.

A cynical plunderer of public lands and raker-in of bribes, Fall was truly far worse than the public believed. The effort to be intellectually generous, showing the good and bad sides of a situation, doesn't work well in his case.

As Secretary of the Interior, Albert B. Fall was thoroughly rotten.



THOMAS J. WALSH

Walsh was tougher than Fall

One man was primarily responsible for lifting the lid on the scandal of Teapot Dome oil leases, and his name was Thomas J. Walsh, Democratic Senator from Montana.

He was, recall reporters of the time, austere, soft-voiced, and polite, but a bulldog when it came to amassing the details of the Ohio Gang's scams. As a member of the Senate's Public Lands Committee, Walsh functioned as a detective-prosecutor to bring evidence forth that finally revealed how Fall granted oil leases to his rich friends.

The effort took a decade and was not without risk. A chief opponent was the former FBI, then called the Bureau of Investigation. In 1923, it was headed by William Burns of the Burns Detective Agency, whose men were routinely used by industrialists to break strikes and halt unionizing efforts by force.

To intimidate Walsh, government investigators tapped his phones, opened his mail, and sent anonymous letters threatening his life, recalls Bruce Bliven, a writer who covered the Senate hearings. Walsh's grown

daughter was also threatened on the street if she did not convince her father to back off from the investigation.

Bliven says Walsh's opponents in the Harding administration spread the word he was a scandal-monger and character-assassin. His past life in Montana was dug up for flaws.

Most of us have flaws in our background, but investigators were hard put to find any in Walsh's.

A self-taught attorney and the son of an Irish immigrant, he had been a fighter in Montana against entrenched industries such as Anaconda Copper. He was so successful that Anaconda offered him a job on its legal staff. Walsh refused.

When, in 1933, President-elect Roosevelt chose Walsh as Attorney General, the New York *Sun* paid the aging activist a compliment which might serve as the epitaph of Thomas J. Walsh:

"No politician is likely to go to him for special favors. It would be like asking the statue of Civic Virtue for a chew of tobacco."

-B.M., P.W.