The two most prominent features of the Mexican Revolution were agrarian reform and a powerful nationalist drive to free Mexico's economy from foreign domination. Both ideals were incorporated into the Constitution of 1917, which called for breakup and redistribution of large estates and prohibited foreigners from holding property in border or coastal areas. Nevertheless, the Colorado River Land Company, an enterprise owned by Los Angeles-based entrepreneurs since 1902, retained its extensive landholdings in norther Baja California until 1937, when most developed portions of the property were expropriated under President Lazaro Cardenas to form ejidos. The main objective of this study was to determine why this enterprise was permitted to persist for two decades after the Revolution, its land policy, and its espousal of economic nationalism. At the same time it seeks implications about the economic development of Baja California and that region's ties to southern California, and because the company depended on Colorado River water for irrigation it explores the issue of international water rights and relations between Mexico and the United States.

Through research in company records in the United States, in Mexican archives, and in newspapers of both countries, it is shown that for many years the Colorado River Land Company's interests coincided with those of the Mexican government for commercial development of Mexico's Colorado River delta. The company's owners invested in valuable infrastructure desired by Mexican leaders and--in the absence of any agreement between Mexico and the United States on use of their common streams--acted to protect Mexico's right to a fair share of the Colorado River water. Only when the interests of the Mexican government and the company began to diverge did Mexico's leaders move against the company's holdings.