

Good Neighbor Diplomacy In Cuba

A Senior Thesis In The History Of Public Policy

University Of California Santa Barbara

Advisor: Professor Robert L. Kelley

By Peter Hippard

Professor Hector Lindo-Fuentes

Presented June 14, 1987

Table of Contents

Preface.....	1
Introduction.....	3
PART ONE.....	7
Chapter One:	
The Historical Background.....	8
Chapter Two:	
The Good Neighbor Policy.....	13
Chapter Three:	
Buenos Aires and the Latin American Challenge.....	23
PART TWO.....	34
Chapter One:	
The False Cuban Independence.....	35
Chapter Two	
Economic Depression and Machado's Rise.....	46
Chapter Three:	
Revolt and the Republican Nonintervention.....	51
Chapter Four:	
Welles Comes to Cuba.....	55
Chapter Five:	
The Fall of Machado and Welles' Diplomacy.....	67
Bibliography.....	91

Preface

Franklin Roosevelt's Good Neighbor policy officially ended the precarious neocolonial relationship in Cuba as established by the Platt Amendment of 1901. However, even after the abrogation of the Platt Amendment in 1934 the island continued to remain open to American economic and political dominance. The American public was indifferent to the political relationship between the beautiful island and their government. Throughout the first fifty-nine years of the twentieth century the American public was enchanted by the charms of Cuba. Resting just one-hundred miles from the American coast, Havana was a tropical haven for scores of American tourist, and was the inspiration of American artists and writers. This fantasy relationship came to a sudden and tragic close when Fidel Castro led a revolution in 1959 which expelled the American businessmen and ended the American political hegemony.

With Castro's rise to power and his alliance with the Soviet Union, the United States government placed an economic embargo on the island and encourage other nations to do the same. Cuba compensated for the American embargo by working closely with the Soviets. On the evening of October 22, 1962, president John F. Kennedy announced to the American people that there was "unmistakeable evidence" that the Soviet Union had built missile sites on the island of

Cuba capable of striking every major American city. For the following six days fearful eyes looked to Cuba, waiting to witness the first nuclear exchange between the Superpowers. Fortunately, reason prevailed, as Kennedy successfully negotiated with Khrushchev for the removal of all the seven reported missile sites from Cuba. Tensions between the United States and the Soviet Union eased with the peaceful resolve of this dramatic episode. However, Cuban-American relations were ruined, and to this day the neighboring republics scarcely acknowledge the existence of each other.

Today, Cuba is not open to the American tourist; the largest island of the Caribbean is not even mentioned in American travel books of the region. The United States government has done everything in its power to end all political, economic and cultural ties with Cuba. While Europeans, Canadians and many others still enjoy the pleasures of Cuba, the island remains forbidden and taboo to the American public.

The objective of this essay is not to explain the Castro revolution of 1959 nor the missile crisis of 1962, but rather to give one an in-depth presentation of Cuba's unique historical development under the tutelage of the United States. After one is exposed to the historical background, then one can begin to understand why Cuba broke away from her northern neighbor and why contemporary relations are so deeply frustrated.

other Latin American republics.

The basis for Our Introduction

The goal of the Franklin Roosevelt administration's inter-American foreign policy was to amend the historical discord between the Latin American republics and the United States. To achieve this goal the administration endeavored to implement the Good Neighbor policy, which essentially promised to treat all the Latin republics as equal, sovereign nations by renouncing the paternalistic right of intervention. The Good Neighbor policy also promised to ameliorate the depressed economies of all the American republics by lowering tariff barriers and offering loans in order to stimulate trade within the Western Hemisphere.

Because the Roosevelt administration did renounce the right of intervention and carried out economic promises, the Good Neighbor policy seemed to have achieved its goals. However, the policy was not successfully implemented in one particular Latin republic, Cuba. The objective of this essay is to understand why the Good Neighbor policy, largely hailed as a success throughout the hemisphere, failed to meet its goals in the case of Cuba. My hypothesis is that because of Cuba's dependent political and economic development under the tutelage of the United States, the Good Neighbor policy confronted a unique context in Cuba, and therefore could neither be implemented in the same manner, nor achieve the same results as in the cases of the other Latin American republics.

The basis for Cuba's unique status vis a vis the United States came with the establishment of the Platt Amendment in 1901. Because the Platt Amendment prevented Cuba from making treaties with any foreign powers without the consent of the United States, and because it gave the United States the legal right of intervention, at any time and for whatever reason, in Cuban domestic affairs, the island became a veritable colony of the United States. After the close of the Spanish-American war in 1898, the McKinley administration informed Cuba that the American military occupation of the island would not be terminated until the Platt Amendment became a permanent article of the Cuban constitution. necessary. Next, the elements of the Good

Neig Due to these unique conditions, no other Latin American republic stood on quite the same ground as Cuba. The Cuban economic and political development during the thirty-two years prior to the Roosevelt administration was marked by almost total dependence upon the United States. Cuba's geographical setting, just one-hundred miles from the American shore, conveniently allowed the United States to manipulate the island's development. ends that the Cuban

depend While other Latin republics, such as Bolivia and Mexico, were able to challenge the Good Neighbor policy through such actions as the expropriation of land held by the Standard Oil Company, Cuba was forced to accept the hegemonic position of the United States. Next to the Cuban president, the American diplomat became the most influential

player in Cuban politics. One of the essential elements of the Good Neighbor policy, that of the use of limited diplomatic interference in order to prevent the necessity of direct intervention, was implemented exclusively in Cuba. The role of the American ambassador will be examined in depth in order to demonstrate exactly how the Good Neighbor policy functioned differently in Cuba, and why this element undermined the goals of the policy in general. articles. My

The format of this essay will be as follows: Part One will begin with a broad historical background of American foreign policy in Latin America to show why the Roosevelt administration felt a fresh approach to inter-American diplomacy was necessary. Next, the elements of the Good Neighbor policy will be discussed, followed by the Roosevelt administration's implementation of the policy in various Latin republics. The demonstration of how the Good Neighbor policy operated in the other Latin republics will serve as a contrast to the way the policy was implemented in Cuba.

Part Two will present an historical background of the Cuban development under the tutelage of the United States. In this section the case will be made that the Cuban dependent development under the United States prevented the accurate implementation of the Good Neighbor policy. Patriotic American historians in the past (such as Samuel Flagg Bemis) have extolled the Roosevelt administration's benevolent diplomacy in Cuba. Although Roosevelt did improve upon certain injustices of previous administrations, Cuba's

fundamental, dependent and underdeveloped status did not change. What will become clear is that foreign policy can not be consistently implemented into countries which maintain a quasi-colonial status, such as in the case of Cuba.

In researching for this thesis paper, I have been limited to United States diplomatic post records, government documents and a variety books, pamphlets and articles. My research did not include the analysis of confidential Cuban governmental and labor organizational documents because they are not presently available. I would have been able to gain a more complete grasp of the economic, political, social and labor conditions in Cuba had such documents been available. Therefore, my interpretation of the events that took place between the United States and Cuba during this period will be somewhat impaired.

Chapter One:

The Historical Background

The cornerstone of the United States Latin American policy is embodied in the Monroe Doctrine of 1823. This doctrine came at a time when several of the Latin republics were either fighting or had attained independence from Spain. The newly formed republics, as well as the not-yet continental United States, were vulnerable to the encroachment of other European powers, as Spain's influence was being driven out of the Western Hemisphere. The Monroe Doctrine laid down three essential points: the prohibition of further European colonization in the hemisphere, a No-Transfer principle which refused the transfer of one European colony to another European power, and the United States abstention from entanglements in European wars.¹

The United States regarded the Monroe Doctrine as a document for the protection of all American nations from the European colonial powers, while the Latin nations regarded the doctrine as an excuse for American expansionist desires. Under the portentous slogan "Manifest Destiny" the Polk administration accepted the Mexican War in 1848, the outcome of which saw the American annexation of Texas, Arizona and California. The United States had finally obtained sovereignty over the entire continent from coast to coast,

1. Samuel Hays, The Latin American Policy of the United States (New York: Harcourt, Brace and Company) 1943, page 52 (hereafter cited as LAP).

Chapter One:

The Historical Background

In the Spanish-American War of 1898, the United States finally removed the last trace of the Spanish Empire from the hemisphere, opening the entire Caribbean region exclusively to American interest. The construction of the long-desired canal through the isthmus of Central America could now be safely constructed. Because of these two wars, the Latin nations came to regard the Monroe Doctrine as an encroachment of other European powers, as Spain's influence was being driven out of the Western Hemisphere. The Monroe Doctrine laid down three essential points: the prohibition of further European colonization in the hemisphere, a No-transfer principle which refused the transfer of one European colony to another European power, and the United States abstention from entanglements in European wars.¹

The United States regarded the Monroe Doctrine as a document for the protection of all American nations from the hemisphere. Under this "Big Stick" diplomacy, Roosevelt European colonial powers, while the Latin nations regarded the doctrine as an excuse for American expansionist desires. Under the portentous slogan "Manifest Destiny" the Polk administration prompted the Mexican War in 1848, the outcome of which saw the American annexation of Texas, Arizona and California. The United States had finally obtained sovereignty over the entire continent from coast to coast, obviously of strategic importance.

1. Samuel Flagg Bemis, The Latin American Policy of the United States (New York: Harcourt, Brace and Company) 1943, page 62 (Hereafter cited as LAP)

but her interest extended beyond her newly attained borders. the Panama Canal remained of such vital importance

In the Spanish-American War of 1898, the United States finally removed the last trace of the Spanish Empire from the hemisphere, opening the entire Caribbean region exclusively to American interest. The construction of the long-desired canal through the isthmus of Central America could now be safely constructed. Because of these two wars, the Latin nations came to regard the Monroe Doctrine as a paternalistic shield for the imperialistic objectives of the United States. The Latin nations considered the United States disrespectful to their national standing within the hemisphere. Huerta's authority, he lifted the arms embargo

After the close of the Spanish-American war President Theodore Roosevelt adopted a new interpretation of the Monroe Doctrine. The Roosevelt "Corollary" effectively declared the United States as the policeman of the hemisphere. Under this "Big Stick" diplomacy, Roosevelt prompted the forced independence of Panama from the republic of Columbia in 1903, in order to secure a narrow strip of land for the construction of a canal. Because the Panama Canal allowed the American Navy to sail in both the Atlantic and Pacific waters of the continental United States, and vastly increased trade and communications, the canal was obviously of strategic importance.

In order to protect the canal, the United States Marines invaded the Caribbean and Central American regions

on at least twenty occasions between 1898 and 1920.² As long as the Panama Canal remained of such vital importance to the United States, its hegemonic presence would not diminish in either Central America or the Caribbean. Perhaps the most inauspicious American intervention came in 1915 when the Wilson administration sent the Marines into Mexico.

The Mexican president Francisco Madero was assassinated in 1915 by Victoriano Huerta, one of his highest generals. Because Huerta came to the presidency through such malicious tactics, Wilson would not recognize the regime, and encouraged Great Britain to do the same. When Wilson discovered that the power of nonrecognition was not enough to undermine Huerta's authority, he lifted the arms embargo against the Constitutionalist faction to aid in their resistance to Huerta.³ Wilson's bellicose actions turned to Huerta's advantage as he rallied Mexican nationalist support in resistance to the Yankee-imperialist of the north.

Wilson was granted an opportunity to directly intervene into Mexico when, at Tampico on April 9, 1914, seven sailors and one officer of the USS "Dolphin", a war ship, were arrested by the Mexican Federalist commander under Huerta. The commander called the arrest a mistake, but Wilson saw it as an threat to American national honor. The American

2. Bryce Wood, The Making of the Good Neighbor Policy (New York: Columbia University Press) 1961 pg. 5 (Hereafter cited as: GNP)

3. Alexander DeConde, A History of American Foreign Policy V.II, third edition (New York: Charles Scribner's Sons) 1978 pg. 35 (Hereafter Cited as: AFP)

President used this incident as an excuse to send in the Marines. The Veracruz custom house was occupied to hold up Huerta's ammunition supply, forcing his eventual demise.⁴ Wilson's invasion in Mexico generated great outrage throughout the hemisphere, and frustrated Mexican-American relations for over a decade.⁵ for intervention.⁶ Hoover

When Herbert Hoover came to the presidency in 1928, both the Republican and Democratic administrations had developed strained relations between the United States and her neighbors to the south. In an effort to change the past inequities Hoover promised to end the interventionist policy which had, by his term, left Marines in Nicaragua and Haiti, and American control over the financial administration of the Dominican Republic. Following his inauguration Hoover took his first step toward improving relations with Latin America when he embarked on a good will tour of Central and South America. On this tour, Hoover announced that, "We have the desire to maintain not only cordial relations of government with each other, but also relations of good neighbors."⁵ While in Central America, Hoover promised to eventually remove the Marines that had occupied Nicaragua in 1926. Thus, the very origins of the Good Neighbor policy can be found in the Hoover administration.

Perhaps the most pronounced act toward improving inter-American relations came when Hoover issued a public

4. Ibid, pg. 126

5. Ibid, pg. 132

document called, "A Memorandum on the Monroe Doctrine," as prepared by his Under Secretary of State, J. Reuben Clark. This memorandum superseded the Roosevelt Corollary, and though it did not renounce the "right" of intervention as found in international law, it did denounce the use of the Monroe Doctrine as a shield for intervention.⁶ Hoover attempted to make it clear that the only accurate interpretation of the Monroe Doctrine was that of protection for all American nations from outside aggression.

However much Hoover was able to amend political and social discord through these moves, he failed to improve the depressed economic conditions which had crippled the Latin nations throughout the decade. With Hoover's support of the Hawley-Smoot Tariff Act of 1930, the Latin economies were nearly ruined, as this extraordinarily high tariff came at a time when the Latin American nations were confronted with the worst economic depression in their history. Thus, in economic relations, Hoover was not regarded as much of a good neighbor. Hoover was unable to develop his Latin American foreign policy any further due to his defeat in the election of 1932. His successor, Franklin Roosevelt, would continue and expand the Good Neighbor policy, making it his own.

following words:

7. *The Public Papers and Addresses of Franklin D. Roosevelt* (New York: Random House) 1938 pp. 245

8. Franklin D. Roosevelt, "Our Foreign Policy: A Democratic

6. *Ibid* *Foreign Affairs*, 6, no. 4 (July 1928): 573-86

Chapter Two:

The Good Neighbor Policy

Franklin Roosevelt announced in his first inaugural address in 1932 that, "I would dedicate this nation to the policy of the good neighbor--the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."⁷ Although the President was making his first official inference that his administration would follow the Good Neighbor policy in relations with the whole world, ultimately the policy became exclusively directed to relations with the Latin American nations.

Roosevelt laid out the basis of his Latin American foreign policy in an article he wrote for the journal Foreign Affairs in 1928. In the article, Roosevelt criticized the interventions in and around the Caribbean under both Republican and Democratic administrations, though he was most critical of the Republican "Big Stick" and "Dollar Diplomacy." Roosevelt called upon the United States "for all time [to renounce] arbitrary intervention in the home affairs of our neighbors."⁸ Moreover, Roosevelt announced that the United States must end its paternal, single-handed method of influence in Latin America in the following words:

7. The Public Papers and Addresses of Franklin Delano Roosevelt (New York: Random House) 1938 pg. 245

8. Franklin D. Roosevelt, "Our Foreign Policy: A Democratic View." Foreign Affairs, 6, no. 4 (July 1928): 573-86

It is possible that in the days to come one of our sister nations may fall upon evil days; disorder and bad government may require that a helping hand be given her citizens as a matter of temporary necessity to bring back order and stability...It is the duty of the United States to associate itself with other American republics, to give intelligent joint study to a problem...Single-handed interventions by us in the internal affairs of other nations must end.⁹

Sumner Welles, the President's close friend and political advisor, was the inspiration for much of Roosevelt's Latin American foreign policy. In January 1928, Welles wrote that Roosevelt lacked "accurate and detailed information with regards to inter-American relations...This I was able to furnish him since I was in close touch with inter-American affairs."¹⁰ Welles gained a wealth of experience in inter-American affairs when he led the evacuation of the American occupation of the Dominican Republic in 1925. After the completion of his mission, Welles wrote Naboth's Vineyard, a two-volume book which set forth the original details of what would become the good neighbor policy.

The conclusions of Naboth's Vineyard were essentially threefold: 1) Latin American nations should be treated as sovereign nations. 2) The United States should adopt a diplomatic "preventive" policy to forestall problems before

9. Ibid

10. Frank W. Graff, "The Strategy of Involvement: A Diplomatic Biography of Sumner Welles, 1933-1948." Ph.D. dissertation, University of Michigan, 1971 pg 53 (Hereafter cited as: SI)

they caused revolution and the need for armed intervention.

3) The Monroe Doctrine expressed protection against non-Western Hemispheric powers for all American nations, and that there must be a multilateralization of responsibility for the enforcement of the Monroe Doctrine. Welles wrote in the conclusion of this work that the United States, "must reach the conviction that in the Western Hemisphere lies its strength and its support," and that the United States should work respectfully with the Latin nations, "on the basis of absolute equality."¹¹

Welles sent a copy of Naboth's Vineyard to Roosevelt prior to the writing of his article in Foreign Affairs, commenting that Roosevelt would "share in the conclusions which I have arrived at."¹² Sumner Welles would go on to serve as Assistant Secretary of State for inter-American affairs throughout Roosevelt's four terms in office.

In July 1931, Norman Davis, a close friend and foreign policy advisor of Roosevelt, wrote an article in the journal Foreign Affairs. This article, with significant contributions by Welles, laid down the most explicit outline of the Good Neighbor policy by combining the thoughts of Roosevelt's earlier article and Naboth's Vineyard. The three main themes of the Davis article were: 1) Tariff barriers (The Hawely-Smoot Tariff Act) should be lowered throughout

11. Frank W. Graff, (SI) pg. 51-56; Sumner Welles, Naboth's Vineyard Vol.II (New York: Payson and Clark, Ltd.) 1928 pg.936-38

12. Norman Davis, "Wanted: A Consistent Latin American Policy," (SI) pg. 52 (July 1931): 547-48

the hemisphere to halt the economic deterioration which had only provoked anarchy and revolution. 2) Military interventions do not solve the problems of revolutions, and should be used only as a last resort to protect American lives. 3) The Monroe Doctrine was not an organ of self-defense for the United States alone, but for all of the American nations, and all should contribute to its enforcement.¹³ These three points laid down the blueprint of Roosevelt's Good Neighbor policy. When Roosevelt came into office in early 1933, he was so consumed in the United States economic depression that he was only able to pay scant attention to Latin American affairs. However, with help from the Assistant Secretary of State, Sumner Welles, and the advice of such consultants as Norman Davis, Roosevelt was confident that the good neighbor policy was in good hands.

Cordell Hull, Roosevelt's newly appointed Secretary of State, was also instrumental in the execution of the Good Neighbor policy. Hull was a ardent advocate of low tariffs, free trade, and the extension of loans as a means to stimulate depressed economic conditions. When Hull failed to achieve economic disarmament with the European nations at the London Economic Conference in the summer of 1933, the Secretary turned to the Western Hemisphere to begin his economic program. At the seventh Pan-American Conference at

14. Cordell Hull, *Memories*, Vol. I (New York) 1942 pg. 317

15. Cordell Hull, *Ibid* pg. 320

13. Norman Davis, "Wanted: A Consistent Latin American Policy." Foreign Affairs, 9, no. 4 (July 1931): 547-68

Montevideo in December 1933, Hull began his quest for free trade. Before leaving Washington for Montevideo, Hull announced, "We are going to start international cooperation right down here with our neighbors."¹⁴

Hull's venture to Montevideo marked the first time that an active American Secretary of State headed a delegation to a Pan-American conference. Various Latin delegates were on the ship headed for Montevideo. Hull broke a precedent when instead of waiting for the Latin delegates to come to his cabin, he was the first to pay courtesy calls. The Secretary said, "I made it a point to confer with them cordially and to see them as much as possible."¹⁵

The main concern of the Latin delegates at the conference was the American approval of a declaration against intervention. Hull pleased the delegates when he voted in favor of Article 8, which read, "No state has the right to intervene in the internal or external affairs of another." Although Hull added a reservation which allowed for the "right" of intervention as sanctioned under international law, the Secretary stated that, "No government need fear any intervention on the part of the United States under the Roosevelt administration."¹⁶ Thus, for the first time in history of Pan-American conferences, the Latin

unconditional and unrestricted form. Hull also promised that

the American Export-Import Bank would make loans to help
14. Cordell Hull, Memoirs Vol. I (New York) 1948 pg. 317

15. Cordell Hull, Ibid pg. 320

16. Bryce Wood, (GNP) pg. 119

delegates received a promise from the United States to end intervention.

Hull was aware of the historically bitter relations between the United States and Argentina. As the most powerful of the Latin nations, Argentina was the natural leader of Latin interest and competed with the United States for influence in the hemisphere. Saavedra Lamas, the Argentine foreign minister, submitted his Anti-War Pact to the conference in concern with the escalation of the Chaco War fought between Bolivia and Paraguay. The United States had refused to sign this treaty in the past because Argentina refused to sign the Kellogg-Briand Pact, the American version of an anti-war treaty. Hull stated that, "If we could make a friend of Saavedra Lamas at Montevideo and at the same time get him to sign the Kellogg-Briand Pact, we could well sign his Anti-War Pact."¹⁷ Such an agreement was reached at Montevideo, and Hull's step towards rapprochement with Argentina generated good feelings throughout the conference.

Finally, Hull was able to execute his economic program. The Secretary promised to lower tariffs restrictions, and all the governments agreed to incorporate in their trade agreements the most-favored-nation principle in its unconditional and unrestricted form. Hull also promised that the American Export-Import Bank would make loans to help generate the depressed Latin economies. With these economic

17. Cordell Hull, Memoirs pg. 322

gains, the renouncement of intervention and the agreement with Argentina, Hull's mission appeared a complete success, and the birth of the Good Neighbor policy in latin America. But in order for the Good Neighbor policy to gain true credibility, it had to be implemented, an awkward task producing both favorable and undesired results.

1933. On February 24, 1934 Augusto Sandino, the general of the Nicaraguan Army, was murdered under the orders of Anastasio Somoza, the leader of the Guardia. The Guardia had been established by the American Marines during the occupation to create a separate branch of the military to ensure the maintenance of social and political stability. Somoza was hand-picked by the United States government to lead the Guardia. When Somoza ordered his troops to kill Sandino, there came accusations of American responsibility for the murder, and some demanded American intervention.

To avert accusations that the United States was responsible for Sandino's death, Arthur B. Lane, United States minister to Nicaragua, requested that recognition be withdrawn until the murder could be explained. The State Department denied the request. By the Summer of 1936, Somoza had extended his control over Nicaragua and had ousted the constitutionally elected president, Juan Sacasa. Lane requested for a limited intervention and that recognition be dropped, but again his recommendations were denied.¹⁸ Because Lane's position remained inconsistent with that of

¹⁸ Bryce Wood, (GNP) pg. 136

The First Latin republic to challenge The Roosevelt commitment to nonintervention after the Montevideo Conference was Nicaragua in 1934. The trouble began after the Marine evacuation from Nicaragua, as promised by the Hoover administration, was completed in late 1933. On February 24, 1934 Augusto Sandino, the general of the Nicaraguan Army, was murdered under the orders of Anastacio Somoza, the leader of the Guardia. The Guardia had been established by the American Marines during the occupation to create a separate branch of the military to ensure the maintenance of social and political stability. Somoza was hand-picked by the United States government to lead the Guardia. When Somoza ordered his troops to kill Sandino, there came accusations of American responsibility for the murder, and some demanded American intervention. Roosevelt

To avert accusations that the United States was responsible for Sandino's death, Arther B. Lane, United States minister to Nicaragua, requested that recognition be withdrawn until the murder could be explained. The State Department denied the request. By the Summer of 1936, Somoza had extended his control over Nicaragua and had ousted the constitutionally elected president, Juan Sacasa. Lane requested for a limited intervention and that recognition be dropped, but again his recommendations were denied.¹⁸ Because Lane's position remained inconsistent with that of

18. Bryce Wood, (GNP) pg. 136

the State Department, he was replaced with the more agreeable Boez Long.

Long was instructed to continue normal relations with Nicaragua, and to refrain from any interference. Hull stated, "I am firmly convinced that it is essential not only to decline comment or advice, but scrupulously to avoid giving ground for belief that this government is taking any part in Nicaraguan internal affairs."¹⁹ Although the United States avoided intervention, several Latin nations voiced disapproval of the principle of American policy in Nicaragua.

The United States government would not have originally placed Somoza in a position of such unusual power if he could not be trusted to protect American interest in Nicaragua. Although Somoza assumed the presidency through blatantly unconstitutional means, the Roosevelt administration granted Somoza full recognition. With a reliable president with dictatorial control over American interest, the Roosevelt administration would not challenge Somoza's position.

Because Sandino and Sacasa were instrumental in the evacuation of the American Marines from Nicaragua, they became very popular nationalist figures throughout Latin America. Their demise through the insidious actions of General Somoza, who was regarded as a puppet of the United States, served as the basis for the Latin's criticism of the

19. Ibid 126

United States policy in Nicaragua. Somoza assumed the presidency and he and his family remained in dictatorial control of Nicaragua for forty years. The State Department announced no qualms with this highly questionable change of power.

On May 10, 1961, the United States sent a special mission to Nicaragua to assist in the transition of power. This mission was headed by the United States Ambassador to Nicaragua, William H. Sullivan. The mission's purpose was to assist the Nicaraguan government in the transition of power from Somoza to the newly elected government of Anastasio Somoza Debayle. The mission was successful in its mission and the transition of power was completed without incident.

The United States delegation also presented a draft of Article 1, which read, "The high contracting parties undertake to abstain from the intervention of any kind in the internal or external affairs of the other party, directly or indirectly, and for any reason, in the internal or external affairs of the other party of the parties."²⁰ This article was adopted by the assembly of the Central American states in 1948. The article was adopted in the context of the Central American states' desire to maintain their independence and sovereignty.

The United States delegation also presented a draft of Article 2, which read, "The high contracting parties undertake to abstain from the intervention of any kind in the internal or external affairs of the other party, directly or indirectly, and for any reason, in the internal or external affairs of the other party of the parties."²¹ This article was also adopted by the assembly of the Central American states in 1948.

20. Ibid., p. 148.

21. Ibid., p. 148.

Chapter Three: America effects each

Buenos Aires and the Latin American challenge

With the dubious success of nonintervention in Nicaragua under his belt, Roosevelt sailed to a special inter-American conference at Buenos Aires in 1936. At this conference Roosevelt attempted to increase American credibility in the hemisphere by strengthening the commitment to nonintervention. Roosevelt delivered the keynote speech which announced an absolute promise to nonintervention and respect to Latin American national integrity. Roosevelt's objective at Buenos Aires was to bring the nations of the hemisphere into a tighter solidarity.

To achieve this objective, the United States delegation voted in favor of article 1, which read, "The high contracting parties declare inadmissible the intervention of any one of them [the American nations] directly or indirectly, and for whatever reason, in the internal or external affairs of any other of the parties."²⁰ This article increased the strength of the Montevideo commitment to nonintervention by renouncing the "right" to intervene as sanctioned under international law. However, with the Good

Neighbors The credibility of the United States was successfully increased by the acceptance of Article 1, and enabled the unanimous agreement to Article 2, which read, "Every act

20. Ibid pg. 120 *Basin, (LAP) pg. 324*

suspectable of disturbing the peace of America effects each and every American republic and [initiates] the procedural consultation provided for in the convention for the maintenance, preservation and re-establishment of peace."²¹ After 1936, if a dispute developed on the meaning of intervention "direct or indirect, and for whatever reason," then the only way out was resort to conciliation, arbitration or judicial settlement under the terms of article 2. ²² The agreement to article 2 pleased the Latin delegates because at last they would not be considered "lesser nations" in relations to the colossus United States. The promise to consultation was the first step in Roosevelt's efforts to create a unified hemisphere.

After the Buenos Aires conference, the Roosevelt administration had fully committed itself to nonintervention. An almost immediate reaction was for certain Latin nations to challenge the United States promise of absolute nonintervention. Two examples of this challenge came from Bolivia and Mexico when they both expelled the Standard Oil Company from their national territories. In previous years, the Latin nations would expect that such a challenge would provoke the United States government to protect her nationals' investments. However, with the Good Neighbor policy promise of "absolute nonintervention,"

21. Sumner Welles, The Time For Decision (New York: Harper and Brothers) 1944 pg. 208

22. Samuel Flagg Bemis, (LAP) pg. 324

Bolivia and Mexico felt confident that they could remove the American businessmen and nationalize their rich sub-soil. At this point our attention will turn to exactly how the Roosevelt administration endeavored to cope with this challenge from Bolivia and Mexico.

... rise to respect their internal developments, and the President's commitment to withhold intervention. The results of these two cases were the development of the reciprocal nature of the Good Neighbor policy and the confirmation of absolute nonintervention. I will discuss these cases separately, beginning with Bolivia.

From 1932 to 1935 Bolivia and Paraguay had been involved in the Chaco War, fought over the oil-rich lands of the Chaco Boreal. Bolivia won the war and maintained her territorial possession of the oil fields. Yet, Bolivian control was not complete, as the Company, a division of the Standard Oil Company, maintained drilling rights of the valuable resource.

On March 13, 1937, the Bolivian government annulled the Company's drilling concession. Bolivia asserted that this act was not an expropriation of sub-soil rights, because the Company had only been granted a concession to drill. The decree of March 13 stated that the concession was annulled because the Company had defrauded the Bolivian government by not paying taxes, and for illegally exporting oil to Argentina through a pipeline under the Bermejo River.

The Good Neighbor policy confronted its greatest test when Bolivia and Mexico renounced the Standard Oil Company's right to drill for oil in their territories. These two Latin nations challenged Roosevelt's promise to respect their internal developments, and the President's commitment to withhold intervention. The results of these two cases were the development of the reciprocal nature of the Good Neighbor policy and the confirmation of absolute nonintervention. I will discuss these cases separately, beginning with Bolivia.

From 1932 to 1935 Bolivia and Paraguay had been involved in the Chaco War, fought over the oil-rich lands of the Chaco Boreal. Bolivia won the war and maintained her territorial possession of the oil fields. Yet, Bolivian control was not complete, as the Company, a division of the Standard Oil Company, maintained drilling rights of the valuable resource.

On March 13, 1937, the Bolivian government annulled the Company's drilling concession. Bolivia asserted that this act was not an expropriation of sub-soil rights, because the Company had only been granted a concession to drill. The decree of March 13 stated that the concession was annulled because the Company had defrauded the Bolivian government by not paying taxes, and for illegally exporting oil to Argentina through a pipeline under the Bernejo River,

from 1925 to 1926.²³ The Bolivian government also based their action upon moral grounds, as during the Chaco War, the Company refused to make loans to Bolivia, refused to supply fuel to Bolivia airplanes, and provided maps of the Chaco region to Paraguay.²⁴

The Company argued that they had a contracted right to export the oil they drilled, and although they owed tax monies, a suit over this matter was still pending in the Bolivian courts. The Bolivian foreign minister, Enrique Finot, rejected the Companies rationale, because he wanted to ensure that Bolivia make exclusive profits from the oil on their national property. Finot simply argued that Bolivia had the right to annul the concession.

The Company turned to the Roosevelt administration for help, insisting that compensation be made for the loss of the concession. Although Roosevelt would not officially defend the financial position of the Company, Secretary of State Hull did make it clear in an aloof and uncommitted fashion that "The Good Neighbor policy cannot by its very nature be a one-sided policy," and that this policy, "contemplates...complete faith of governments and peoples in each other, as a whole hearted disposition to cooperate with each other."²⁵ Although Hull did not explicitly demand that the Bolivian government make just compensation to the

23. Ibid pg. 168

24. Ibid pg. 180

25. Ibid pg. 172

Company, such was implied in the remark that in order for the Good Neighbor policy to function, joint cooperation was necessary.

When the Bolivian Supreme Court announced that the Company did not deserve any compensation, Roosevelt respected their decision. Roosevelt respected the internal decisions of the Bolivian government. Yet Roosevelt was able to encourage the Bolivian government to reconsider its position through certain acts of political and economic discrimination.

First the United States government tried to prevent Bolivia from obtaining help from Argentina in the exploitation and exportation of the Chaco oil. The United States warned Argentina that it was not wise to engage in Bolivia's oil production while the case with the Company was still essentially unresolved. Argentina ignored the United States comments, and instead entered into a contract with Bolivia whereby the Argentina State railways obtained 15,000 tons of oil in return for the opening of a 120,000 peso line of credit to Bolivia.²⁶ Thus, the American attempt at political discrimination failed.

The United States next applied economic discrimination to lead the Bolivian government toward an agreement with the Company. The United States refused to extend loans or technical assistance to Bolivia when such aid was being granted to other Latin American nations. William L. Pierson,

26. Ibid pg. 180

head of the Export-Import Bank, told a Senate committee that no loans would be made to "a country that is confiscating our property."²⁷ Such economic discrimination was continued until Bolivia agreed to negotiate with the Company.

After the Japanese bombing of Pearl Harbor in 1941, and when hemispheric security was of top importance, Bolivia finally agreed to negotiate a settlement with the Company. The Standard Oil Company insisted that the payment made not be called an "indemnity" but merely a sale of drilling rights. Although Standard Oil valued their holdings at \$17,000,000, Bolivia only had to pay \$1,729,375. This was because Standard Oil had figured in the value of sub-soil holdings in their estimation, which was not included in the final agreement.²⁸

After the payment, Bolivia received an economic development program from the United States, valued at \$25,000,000. Standard oil learned that under the Roosevelt administration, they could not expect full support for their financial investments in Latin America. The Bolivian president, Penarande, made it clear that, "it was my duty to eliminate the obstacles which prevented complete cooperation with the government in Washington."²⁹ The Bolivian case showed that in order for the Good Neighbor policy to function, it needed the mutual cooperation of the nations

27. Ibid

28 Ibid 197

29. Ibid

involved. The Bolivian case appears to have been a clear victory for the Good Neighbor policy, but victory only came after extensive discrimination and with economic inducements.

of land held by the Standard Oil Company. This was the first time that the Mexicans had expropriated land from Americans. Up until August 30, 1927, according to the Department of State, "161 moderate-sized properties of American citizens had been taken."³⁰ Since these lands were used for agrarian purposes, they were considered less important than land held by the oil companies, and so little resistance came from Washington over these uncompensated expropriations. The expropriations carried out by Cardenas were part of his land reform program, exemplified by the slogan, "Mexico for Mexicans." The expropriation provoked the Standard Oil Company and the conservative press in the United States to demand for intervention by the United States government for the protection of the sub-soil rights. The Roosevelt administration refused to intervene, and instead proposed to arbitrate negotiations for just compensation.³¹

Sumner Welles assumed an informal role in encouraging direct negotiation for a just agreement between the Mexican Government and Standard Oil.³² At length, the State

³⁰ United States and World Affairs, (United States Department of State) 1939, pg. 227

³¹ Alexander DeConde, (AFP) pg. 123

³² Frank W. Graff, (SI) pg. 148

In 1938, the Good Neighbor policy faced an even more difficult case when the Mexican president, Lazaro Cardenas, announced the expropriation of over one hundred million dollars worth of land held by the Standard Oil Company. This was not the first time that the Mexicans had expropriated land from Americans. Up until August 30, 1927, according to the Department of State, "161 moderate-sized properties of American citizens had been taken."³⁰ Since these lands were used for agrarian purposes, they were considered less important than land held by the oil companies, and so little resistance came from Washinton over these uncompensated expropriations. The expropriations carried out by Cardenas was part of his land reform program, exemplified by the slogan, "Mexico for Mexicans." The expropriation provoked the Standard Oil Company and the conservative press in the United States to demand for intervention by the United States government for the protection of the sub-soil rights. The Roosevelt administration refused to intervene, and instead proposed to arbitrate negotiations for just compensation.³¹

Sumner Welles assumed an informal role in encouraging direct negotiation for a just agreement between the Mexican government and Standard Oil.³² At length, the State

32. United States and World Affairs, (United States Department of State) 1939, pg. 227

33. Alexander DeConde, (AFP) pg. 123

34. Frank W. Graff, (SI) pg. 148

Department agreed to follow the Mexican suggestion of a two-man commission, one American the other Mexican, to work out just compensation. In spite of the Standard Oil Company's opposition to this program, the Roosevelt administration held fast to the Mexican proposal.

While the commission negotiated the details of the agreement, Standard Oil lobbied to halt the American purchasing of Mexican silver, but no such legislation was ever passed.³³ Finally, the commission announced that just compensation would amount to some \$24,000,000. Standard Oil claimed that this estimation was too low, but since the company had no choice, it accepted the decision. Under the agreements of the commission, the United States promised to continue purchasing Mexican silver, negotiated a trade agreement and loaned money to the Mexican government for road construction.³⁴

The Mexican case shows a definite maturity of cooperation in the execution of the Good Neighbor policy. Yet, the Roosevelt administration would not have been so agreeable to the Mexican position if it were not for the fact that with the Japanese bombing of Pearl Harbor and the subsequent American entry into the war, the United States needed the support of her closest neighbor. Thus, altruism was not the basis for the expropriation agreements so much as the need for political alliances at a most critical time.

35. Ibid pg. 142

36. Alexander DeConde, (AFP) pg. 123

In the Nicaragua, Bolivia and Mexico The Roosevelt administration adhered to absolute nonintervention. The administration seems to have ignored, or at least avoided, the second conclusion in Sumner Welles' Naboth's Vineyard, that of a diplomatic "preventive" policy. In Nicaragua, the American ambassador, Arther B. Lane, was not allowed to interfere at any level in the Nicaraguan affairs. The Roosevelt administration did not interfere with the Mexican or Bolivian efforts to work out the details of their settlements with the Standard Oil Company. Intervention at the diplomatic level was strictly avoided.

This position of the Roosevelt administration appears inconsistent with the fact that Sumner Welles, the chief architect of the Good Neighbor policy, made diplomatic intervention key to the State Department's Latin American policy. The diplomatic "preventive" policy was implemented in Cuba by Welles himself, with inauspicious results. Yet, the this aspect of the policy was continued in Cuba. The Roosevelt administration would not venture to implement this paternalistic aspect of the Good Neighbor policy in relations with the other Latin republics.

Our attention will now turn to Cuba, to show how the unique development of the island under the tutelage of the United States prevented the Good Neighbor policy from being properly implemented. I will attempt to show how the Good Neighbor policy in Cuba contrasted with its implementation in the other Latin republics.

Part Two

Chapter One:

The False Cuban Independence

The Ten Year's War (1868-1878), fought by the Cuban nationalist against the Spanish Empire, destroyed much of the Cuban-owned sugar cane land. Although Spain did not lose control of her colony in this war, much of the cane land was turned over to wealthy American businessmen who began to invest heavily in the Cuban sugar industry. The Cuban economy, almost completely based upon sugar, was steadily integrated into the American economy. By 1860 the United States was taking 62 percent of Cuba's exports, while Spain only 3 percent.¹ Because Cuba was situated only one-hundred miles from the American shore, the island's vulnerable sugar economy was an ideal market for American business investment.

In 1895 the United States Congress approved a new tariff law that raised duties on raw sugar to a level of forty percent higher than under the previous tariff. This new tariff wrecked the Cuban sugar market and lead the island into more starvation and misery. The devastation of the new tariff coupled with years of colonial misrule by Spain, caused the Cubans to revolt in 1898.²

1. Jules R. Benjamin, The United States and Cuba: Hegemony and Dependent Development, 1880-1934. (Pittsburg: University of Pittsburg Press) 1974 pg.4

2. Ibid pg. 312

Groups of American civilians sensed the magnitude of the Cuban revolt and responded by smuggling munitions into the island to foment the revolt in the hope that the Spanish Empire would be forced out of the American backyard. The United States government tried to remain neutral by patrolling the coast, at great expense, to prevent the gunrunners from reaching Cuba. However, within the Republican party there were numbers of jingoistic leaders who wanted to intervene in Cuba's struggle for independence. One portion of the Republican platform for the election of 1898 read, "We believe that the government of the United States should actively use its influence and good offices to restore peace and give independence to the island."³

William McKinley, leader of the Republican party, won his bid for the presidency in November, 1897. Then, on February 15, under mysterious circumstances, the American battleship, the Maine, was blown up in the Havana harbor, killing 260 men. The yellow press in the United States, especially William Randolph Hearst's New York Journal sensationalised the sinking of the Maine, and called on the American government to take revenge upon Spain. Thus, the Republican administration was offered the unique chance to at once drive out the Spanish from the Caribbean and defend her own interest in Cuba by declaring war upon Spain. "The

2. Alexander DeConde, A History of American Foreign Policy. Vol.II, third edition, (New York: Scribner's Sons) 1978 pg 309

3. Corliss Bollen, The Crisis of Cuba. (Philadelphia: J.B.

3. Ibid pg. 312

"Splendid Little War" was fought not only by American and Cuban troops, but by jingoistic American civilians such as Teddy Roosevelt's Rough Riders. After only ten weeks of war, Spain was defeated. Because about half of the Cuban population was killed in the war of independence from Spain, the American government felt that the island was not fit to rule itself. The United States could not, however, simply annex the island because the Teller Amendment prohibited such action. This amendment forced the United States to disclaim all "disposition of intent to exercise sovereignty jurisdiction or control over said island except for the pacification thereof."⁴ Because the United States could not annex Cuba, more subtle means would have to be found to extend tutelage over the island. After the war a Military Government of the United States was sent to Cuba from 1898 to 1902 to establish a functioning, independent government. General Wood and War Secretary Elishu Root led the Military Government with the main objective of creating in Cuba a political and social environment safe for the Cuban populace and American financial and strategic interest.

The Platt Amendment, a rider to the Army Appropriations bill of 1901, was the basis for this new arrangement. The Platt Amendment's main provisions were to keep Cuba from

3. Alexander DeConde, *Ibid* pg. 339

4. Carleton Beals, The Crime Of Cuba. (Philadelphia: J.B. Lippincott Company) 1933 pg. 138

making financial or diplomatic treaties with foreign powers, gave the United States the legal right of intervention into Cuban affairs, forced Cuba to ratify all acts of the American Military Government and allowed the United States to purchase or lease coaling or naval stations in Cuba. The United States then forced Cuba to embody the Platt Amendment into a permanent treaty between the two nations and in the new Cuban constitution.⁵

The main motivation for the American tutelage over Cuba was the vested and expansionist business interest in the island. American businessmen became middlemen in sugar sales, running large commercial and banking houses which financed the sugar industry. Henry O. Havenmeyer, for instance, combined nineteen refineries into the American Sugar Refining Corporation, which until World war I, refined Cuban sugar to supply 70 to 80 percent of all refined sugar consumed in the United States.⁶

The Platt Amendment effectively told American businessmen that in Cuba their investments would be protected. Article III explicitly stated the special power of the United States: "the government of Cuba consents that the United States may exercise the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property and

5. Alexander DeConde, Ibid pg. 339

6. Ibid

individual liberty."⁷ Clearly, with the the Platt Amendment the United States established a unique, albeit hegemonic relationship with Cuba. The United States had annexed Cuba in all but name.

The Military Government led by General Leonard Wood and War Secretary Elishu Root strove to make numerous reforms in Cuba to create a stable social environment so the two nations could pursue their unique political and economic relationship, while avoiding the necessity of future intervention. The first reform was economic. Because the sugar industry was devastated by the war, in April 1902 a reciprocity treaty was established which included a special reduction of 21 percent on Cuban sugar duties.⁸ In exchange, the United States obtained trading preferences of up to 40 percent on U.S. goods exported to the island.⁹

General Wood made great efforts towards internal improvements to keep Cuba on solid footing. The judicial system, established at the time of the Spanish conquest, was reformed. Wood found in many cases that there were no provisions for witnesses or councils. So high provincial courts, which were equalized for the interchange of judges to ensure fairness, were established. Wood also set up a

7. Harry F. Guggenheim "amending the Platt Amendment Foreign Affairs, 12 (April 1934): 454

8. Russell H. Fitzgibbon, Cuba and the United States, 1900-1935 (New York: Russell and Russell Inc.) 1964 pg. 210

9. Jules R. Benjamin, *Ibid* pg. 10

system whereby lawyers would be provided for the council of the poor.¹⁰

Because General Wood had medical training he took a special interest in ridding the island of both yellow and malaria fevers, diseases which had historically plagued the Caribbean region. Massive clean-ups in and around Havana were carried out, but did not solve the problem. At length, it was discovered that the mosquito transmitted the diseases and so by 1901 the mosquito population was reduced by 90 percent and the epidemics finally came under control.¹¹

Various other reforms occurred, including the establishment of school systems, construction of port facilities, public works, street and sewage construction and railroads. These reforms of the Cuban infrastructure were designed to facilitate the production and exportation of sugar. Wood also wanted to create in Cuba a comfortable environment for American citizens and investments. By 1905 13,000 Americans had bought land in Cuba which was valued at fifty million dollars, and by 1913 investments hit 220 million dollars.¹² The United States was in the process of creating in Cuba a well-functioning client-state

The most basic objective of the Military Government was to make Cuba stable enough so that no future intervention

10. Russell H. Fitzgibbon, Ibid pg. 38

11. Ibid pg. 132

12. Ibid

would be needed. To this end, the policy failed, because in 1905, Cuba's first president Estrada Palma, had tampered with the electoral process, by stuffing ballot boxes, causing a state of near anarchy in the island. When Palma announced that he would not resign, rebellions broke out demanding American intervention to restore order. Within three years after the close of the Military Government, the United States was forced to invoke article III of the Platt Amendment.

Philander Knox, Secretary of State under the Taft administration, sent Charles Magoon as special assistant to Cuba from 1906 to 1909 to carry out certain reforms which were expected to make Cuba a more stable and independent country. This endeavor attempted to extend a limited degree of diplomatic intervention to prevent the future necessity of a military intervention. Thus, Knox established his interpretation of what article III of the Platt Amendment stated in regards to legal American intervention in Cuba. This policy became popularly known as "The Preventive Policy."

Magoon set up a new electoral machine which included electoral boards at municipal, provincial and central levels, registration system which abrogated literacy as a voting requirement, and called for proportional representation.¹³ During the three-year Magoon period some \$22,958, 659 was spent on public works.

13. Ibid. F. Guggenheim, Ibid, pg. 432

The aim of these efforts was to bring permanent stability to Cuba, but order could only be achieved in the short-run because the island was ultimately a creature of the United States government. Looking back upon the development of Cuba under American authority, the Cuban jurist Cosme de la Torriente expressed analogously why the American efforts to create an independently functioning Cuba came to naught: "In principle, an individual who has attained full enjoyment of civil and political rights cannot be given a guardian to watch his steps and correct his mistakes...the individual in question grows accustomed to such guardianship and ends by being unable to do anything by himself."¹⁴ The unique "guardian" relationship the United States forged with Cuba was at best awkward and at worst imperialistic. Such a relationship would eventually cause the State Department great anxiety in spite of the profits that the American private citizens earned in the Cuban sugar industry.

The extraordinary American investment in Cuba forced the island to remain a dependent, monoculture society. Cuba was unable to diversify her economy or even grow her own food products, as most of the fertile land was devoted to the cultivation of sugar cane. Agricultural products as well as industrial and manufactured goods had to be imported. The United States continued to purchase Cuban sugar to enable the island to continue to buy American exports; in effect, a

14. Harry F. Guggenheim, *Ibid*, pg. 452

vicious cycle was established in which Cuba had no way of escape.

For a short period of time after the Magoon government left the island, Cuba was able to maintain adequate stability. But by 1916 there was an electoral crisis, as the Liberal Party accused the ruling Conservative party of election fraud in an attempt to extend their term in office. The Liberals instigated mass public protest and stymied the election of 1917. Moreover, the Liberals created an insurrection known as "La Chambelona" which got workers to walk out of the sugar mills, thus halting production and threatening American investments. The hope was that the insurrection would prompt an American intervention which would then oversee the election process, as was done in 1905, to ensure fairness.¹⁵

The Wilson administration at this time was generally preoccupied with the heated war developments in Europe, but the President was able to attend to the Cuban situation by landing Marines to quell the uprisings. Order was restored and election finally took place. But the intervention served another purpose, that of ensuring the continued production of sugar. Because the war in Europe had destroyed the beet crops, there was a sudden demand for refined sugar. The United States forced Cuba to declare war upon Germany and

15. Louis A. Perez, Jr., Intervention, Revolution and Politics in Cuba: 1913-1920 (Pittsburg: University of Pittsburg Press) 1978 pg. 29

made her contribute to the war effort by supplying the much needed sugar.

In 1918 the United States and Great Britain established a Sugar Equalization Board which controlled the price and production of Cuban sugar during the war. Prices were at first set at 1.93 cents per pound, but soon the price rose to 4 cents.¹⁶ The profits incurred were great because it only cost .05 cents per pound to produce sugar.¹⁷ During The First World War, Cuba became a veritable economic vassal of the United States.

The war artificially stimulated the Cuban economy because American capital flowed in great volume into the sugar sector as the demand for sugar shot up. As a result, there was a marked tendency of the sugar companies to borrow heavily to increase their production.¹⁸ The peak of the sugar boom came on May 19, 1920 when the price of sugar reached twenty-two and a half cents per pound. This exciting period became known as the "Dance of the Millions."

Yet, this period was short-lived, as the price suddenly and tragically dropped to four cents a pound in just four months.¹⁹ The demand for sugar had been unexpectedly

16. Fitzgibbon, Ibid pg. 250

17. Jorge F. Perez-Lopez, An Index of Cuban Industrial Production (Quantitative Latin American Studies Los Angeles: Latin American Center Publications) 1977 pg. 34

18. Robert F. Smith, The United States and Cuba, Business and Diplomacy: 1917-1960 (New York: Bookman Associates) 1960 pg. 29

19. Jorge F. Perez-Lopez Ibid, pg 40

reduced after the war because both Europe and the United States had obtained sufficient stockpiles. The speculative prices caused Cuban sugar centrals owners to sell out while prices were still high, and often foreclosures ensued in lieu of collection of loans as owners found themselves overextended during this debacle.²⁰

So grave was the economic crisis that the entire Cuban banking system seemed on the verge of collapse. Depositors ran on the banks, many of which did not have the cash. A limit of ten percent on withdrawals of individual accounts was imposed. The majority of the Cuban banks were forced to close, leaving foreign banks, mainly those in the United States such as the National City Bank of New York, in control of the financial sector and in possession of substantial property interest primarily in the sugar industry.²¹ The United States government had exploited the island client-state during the war, causing both the economic boom and bust. The massive Cuban depression which followed the ephemeral "Dance of the Millions," was largely the responsibility of the United States government investors

1. Valencia Satiate, The Growth and Decline of the Cuban Economy (New York: The Devin-Adair company) 1964 pg 4

20. Russell H. Fitzgibbon, Ibid pg. 216; Robert F. Smith, Ibid pg. 30

21. Jorge F. Perez-Lopez, Ibid pg 40

Chapter Two: Depression and Machado's Rise

As compared to the larger, industrialized nations in the world who would not feel the magnitude of the depression until the crash of 1929, Cuba was confronted with a grave economic crisis from the outset of the decade, largely due to the decline in the export of sugar. The value of Cuban sugar exports fell from \$1,022,300,000 in 1920 to \$45,256,000 in 1933.¹ Cuba's dependence upon the exportation of sugar, its staggering debt owed to the United States along with the rapid closure of foreign markets to Cuba's sugar export caused the island to remain deep in depression.

American investment in Cuba from 1920 to 1922 was at its peak, increasing nearly 300 percent.² In a study on American investment in Cuba in the journal Inter-American Economic Affairs, it was noted that there was a certain proclivity for Americans to invest in Cuba during this vulnerable period. Rightly or wrongly, private investors believed that the position of the Cuban government vis a vis the United States government was such that some of the risk normally concomitant with foreign investment were eliminated

1. Fulgencio Batista, The Growth and Decline of the Cuban Republic (New York: The Devin-Adair company) 1964 pg 4

2. John M. Hunter, "Investment as a factor in the Economic Development of Cuba: 1899-1935" Inter-American Economic Affairs, 5, no. 3 (Winter 1951): 83

or at least minimized.³ In this seemingly no-risk atmosphere American investors permeated the island's industrial sector. Again, Cuba's unique position and client-state relationship with the United States allowed investors easy access to her economy.

For Americans, investment in Cuba was safe because dollars circulated freely and were legal tender, and because there were no exchange controls. In fact, Cuba was little more than an appendage of the United States monetary system.⁴ American investment in Cuba from 1900 to 1930 increased by some 3000 percent, and by 1930, eighty-five percent of all investment in Cuba was of American origin. The greatest problem with such massive foreign investment was that there was no equal amount of domestic investment, so Cuba economy became a dependent client of the American economy..

In the middle of this decade of increasing American investment there emerged a candidate for the presidency of Cuba who appeared to be the perfect proponent of American interests, Gerardo Machado. In 1925 Machado was elected to the presidency, ushering in an era of "business nationalism." Machado maintained a strongly pro-American policy, as he himself came to embody the Cuban stability necessary for protected American investment.

3. Ibid

4. Ibid

Machado had a deep personal history of involvement with the American controlled businesses on the island. Henry Catalin, an American president of the Cuban Electric Company, was a close friend of Machado and helped him finance his campaign for the presidency in 1925. Machado himself was already vice-president and half-owner of the Santa Clara Light Company, which he subsequently merged with the Cuban Electric Company to form a monopoly on the island.⁵ In light of Machado's deep involvement with foreign investments, it came as no surprise to find that his support for American business interests inevitably overrode the interest of the working classes of Cuba, a large number of whom were unemployed.

In the year of his election, Machado went to New York where he was honored at a banquet by the National City Bank. In a speech Machado delivered to his supporters he promised that American dollars would remain safe in his island because, "In my administration there will be absolute guarantees for all business, and that there is no reason to fear the out break of disorder, because I have sufficient force to suppress them."⁶

Indeed, for his own interest and those of the American bankers, Machado was prepared to use whatever methods he deemed necessary to suppress civilian uprisings with the Cuban Army and his police force, the Porrista. In 1928, a

5. Robert F. Smith, Ibid pg. 113

6. Ibid

year prior to the next election, Machado's proposal to extend his term of office was approved by the Cuban Congress. With the support of the American businessmen Machado expected to remain president until 1935, and possibly beyond. in payment for their work. These came

Machado's act of "continuismo," (the popular term given to the artificial process by which authoritarian Latin American presidents extend their term in office) also provided for the extension of office for certain senators and representatives. The Coolidge administration condoned the action of "continuismo" when American ambassador Enoch Cowder asked that "informal assurance" be extended to the Machado presidency.⁷ Furthermore, when President Coolidge was confronted with the question of legitimacy of Machado's manipulation of the Cuban constitution, he stated that the United States feels that "this is a question for the Cuban people and their government to decide."⁸ Thus, with at least tacit approval from the United States, Machado had every reason to believe that he could rule Cuba as he pleased.

While Machado was busy ensuring his life-term in the presidency, several of the sugar centrals were forced to close due to the depression. Unemployment rose rapidly; By the end of the decade some 250,000 heads of households were

⁷ Herbert A. Golding, Jr., *Organized Labor in Latin America* (New York: Harper Torchbooks) 1977, pg. 62

7. Bryce Wood, *The Making of the Good Neighbor Policy* (New York: Columbia University Press) pg 55

8. Robert F. Smith, *Ibid* pg. 113

out of work.⁹ For those who managed to keep their jobs, the situation was not much better because by 1932 wages paid were reported to be the lowest since the days of slavery.¹⁰ Some workers were reported to be receiving only meals and living quarters in payment for their work. These cane workers were employed only during the working season, during the harvest, from three to four months, and received no remuneration from the sugar industries for the remaining months.¹¹

the Confederacion Nacional Obrera de Cuba (CNOC): Shortly after the establishment of the CNOC, the Cuban Communist party emerged, which included students, urban and agricultural workers alike. Collectively, the younger generation began to voice their opposition to the older generation (of the Spanish-American War) who stood in support of the Machado regime. The younger generation and the disfranchised regarded Machado as a puppet of the American Government and strove to free Cuba from its colonial status by disposing the hated tyrant.

In 1930 Machado outlawed the CNOC and closed the national university, claiming that it was necessary because he was suppressing communistic activities. This rationale was effective because of the Red Scare which had swept through the United States after the Russian Bolshevik

9. Hobart A. Spalding, Jr., Organized Labor in Latin America (New York: Harper Torchbooks) 1977, pg. 82

10. Monthly Labor Review, 35, No. 6 (December 1932): 402

11. Ibid

Chapter Three:

Revolt and the Republican Nonintervention

In reaction to the horrible social conditions during the 1920's depression there emerged the greatest organizational and ideological labor advances in Cuban history. In 1925 a national labor organization was formed, the same year as Machado's election. The labor organization was called the Confederacion Nacional Obrera de Cuba (CNOC). Shortly after the establishment of the CNOC, the Cuban Communist party emerged, which included students, urban and agricultural workers alike. Collectively, the younger generation began to voice their opposition to the older generation (of the Spanish-American War) who stood in support of the Machado regime. The younger generation and the disfranchised regarded Machado as a puppet of the American Government and strove to free Cuba from its colonial status by disposing the hated tyrant.

In 1930 Machado outlawed the CNOC and closed the national university, claiming that it was necessary because he was suppressing communistic activities. This rationale was effective because of the Red Scare which had swept through the United States after the Russian Bolshevik Revolution in 1917. In response to Machado's dictatorial actions, 220,000 persons joined in a 24 hour protest in Havana, demanding the right of the workers to organize and strike, an end to the intervention by the police in union

meetings and liberty of speech and press.¹² Although the protesters were violently dispersed by Machado's Porrista police force, the protest continued, largely due to the fact that unemployment was increasing and wages had dropped some forty percent.¹³ The Machado regime reacted violently to protesters and labor leaders; as one writer reported that at least 148 labor leaders were killed for their illegal organizational practices.¹⁴

William E. Walling visited Havana frequently and in an article in Current History he reported of the many crimes of the Machado regime. In May 1930, Walling reports, "newspapers are seized and suppressed constantly. Several cases occurred each time the present writer has been in Havana. More than a few critics of the government, especially editors and labor leaders, have been assassinated and the assassin has in no case been discovered by the government."¹⁶ Walling also gave the names of four leading editors who were killed by the Machado police forces.

The Cuban ambassador to the United States, Orestes Ferrara, wrote in defense of the Machado regimes brutalities: "any period of history can be presented in the worst light by simply giving prominence to certain facts and

12. William E. Walling, "President Machado's Administration of Cuba." Current History, (May 1930): 260

13. Ibid

14. Carleton Beals, Ibid pg. 274

16. William E. Walling, Current History, Ibid pg. 261

keeping silent to others." Ferrara felt the reported deaths of the labor leaders and editors were justified because, "communism does not compromise...and those who compromise with it very soon observe that their compromise turns out to be a one-sided affair."¹⁷ The ambassador suggests that the Machado administration was protecting American and Cuban lives and investments by killing off the uncompromising communist

Protectors from Cuba and the United States demanded that the United States invoke article III of the Platt Amendment to end the obvious chaotic conditions and restore order. Yet Coolidge and his ambassador, Cowder, retained confidence in Machado. Laurence Duggan, former State Department official, reported years later the Coolidge administration perceived that "Machado had brought internal peace to Cuba...and that their passivity was due to their hope that under Machado peace, order and 'political cooperation' would continue."¹⁸ In other words, so long as Machado protected American investments, as he promised he would, there was no need to disrupt his rule.

When Herbert Hoover came to the White House, conditions in Cuba were made worse with the introduction of the Hawley-Smoot Tariff Act of 1930. The Hoover administration had sided with the American beet sugar

17. Orestes Ferrara, "President Machado's Administration of Cuba" Current History, 32 (May 1930): 257-67 pg. 272

18. Bryce Wood, *Ibid* pg. 51

interest in gaining the high, protective tariff, which increased the duty on Cuban sugar to \$.02. This rate forced Cuban sugar producers to reduce the price of sugar to the point that they were selling sugar below the cost of production.¹⁹

While Cuba's economic plight became more desperate, Hoover maintained the same general policy toward the island as that of Coolidge: tacit approval of Machado and a commitment to nonintervention. When Harry Guggenheim, the newly appointed ambassador to Cuba, asked Secretary of State Stimson in September of 1930 "for a declaration of policy for my guidance." The Secretary "reaffirmed the Root interpretation" of article III of the Platt Amendment.²⁰

The Root interpretation was created in 1905, when the United States pulled the Military Government out of Cuba. Elishu Root stated then that the right to intervention as expressed in article III of the Platt Amendment "is not synonymous with the intermeddling or interference with the affairs of the Cuban government."²¹ Thus, while the Hoover administration was committed to the policy of noninterference in Cuba, Machado could remain confident that his rule could continue unchecked by the American "guardian."

19. Jorge F. Perez-Lopez, Ibid, pg. 42

20. Harry F. Guggenheim, Ibid pg. 449

Chapter Four:

Welles Comes To Cuba

At the close of the Hoover Administration Machado had increasingly become identified as a creature of the United States government, a dictator who had denied basic civil liberties to his people in order to maintain his rule and protect American financial interest in Cuba. By the time the Roosevelt administration came to power in 1932, the crisis in Cuba had escalated to dangerous proportions. The passive approach to inter-American foreign policy as employed by the two previous Republican Administrations did not oppose Machado's consolidation of his tyrannical rule.

In contrast to the Republican method of strict noninterference, Roosevelt decided to pursue an active role in relations with Cuba. The vague description of the Good Neighbor policy as established in Naboth's Vineyard served as the guiding theory for the American State Departments. Roosevelt believed that the only way to restore order in Cuba would be to encourage negotiations between Machado and his political opposition; in essence, this meant the implementation of Sumner Welles' "Preventive Policy." However, Roosevelt understood that he would have to operate cautiously in Cuba because he did not want to upset any of the Latin republics by directly intervening in Cuban domestic affairs.

In a Press Conference, Roosevelt made it clear that his administration was dealing with a special case in Cuba:

"On the general Latin American Policy, you can't say that the Cuban situation is the keynote of Latin American policy because there is no other American nation that is in the same status as Cuba. In Cuba we have treaty obligations. In other nations we haven't. In other words, don't intimate anything we do in Cuba is the same thing we will do in Haiti, Santo Domingo, etc."¹

Thus, it is clear that American foreign policy in Cuba confronted unique and contractual conditions. Roosevelt was suggesting that the implementation of his Good Neighbor policy in Cuba would have to conform to these restrictions. Cuba would be the testing ground for the Good Neighbor policy which vaguely desired to establish friendly relations with the neighboring Latin nations, primarily by creating unrestricted terms of trade, and cooperative, respectful diplomatic relations.

The State Department feared that if Machado could not restore order quickly then revolution would ensue, followed by the undesired American intervention.² From the outset, it was the firm belief of the State Department that the Cuban crisis could be resolved by leading a mediation between the political elites vying for power, and by negotiating economic reform, in the form of loans, a sugar quota, and low tariffs. If the Roosevelt administration was to prevent the perception of direct American intervention,

1. The Public Papers and Addresses of Franklin Delano Roosevelt (New York: Random House) 1938 pg. 225

2. Cordell Hull, Memoirs (New York) 1948 pg. 312

diplomatic manipulation would have to be assiduously implemented. To carry out this precarious task, Roosevelt appointed his erstwhile and trusted friend Sumner Welles as special Ambassador to Cuba.

Roosevelt trusted that Welles could properly carry out the Good Neighbor policy in Cuba, not only because. Roosevelt considered Welles the single most informed person on inter-American relations but because the two men were the best of friends..Welles had been a page at the Roosevelt's wedding and moved in the same social and political circles as the president.³ Roosevelt learned of Welles' abilities in diplomacy when they were associates in the Wilson administration. Roosevelt and Welles continued to stay in touch throughout the 1920's.⁴ Roosevelt at one time wrote that Welles "was the best informed American on Latin American affairs. In addition, Latin Americans knew Welles to be a kindred spirit with whom they could talk as friend to friend."⁵ Roosevelt had great confidence in Welles, and their personal friendship enabled Welles to gain extra support for his proposals in how best to direct the Cuban situation.

3. The Roosevelt Letters Vol III, edited by Elliot Roosevelt, (London: George G. Harrap & Co. Ltd.) 1952 pg. 116

4. Ibid pg. 23

5. The Public Papers and Addresses of Franklin Delano Roosevelt, pg. 203 #470

Welles was placed in a unique set of circumstances as ambassador to Cuba, for he was given almost complete freedom in adopting his own personal diplomatic style because there was minimal supervision from the State Department or the President. Roosevelt was almost entirely preoccupied with his National Recovery Act, which addressed the massive unemployment and the grave economic condition the United States was in as a result of the crash of 1929, and also with the bellicose developments in Europe and Asia. Secretary of State Cordell Hull spent the entire summer of 1933 at the London Economic conference while Welles worked in Cuba, and so Hull was unable to even consider Cuban developments.

Welles' venture to Cuba in May of 1933 was his opportunity to execute the programs he designed in Naboth's Vineyard. Welles embarked for Cuba with only brief written instructions from Cordell Hull. Welles had been instrumental in drafting the instructions which read:

"You will always bear in mind that the relations between the government of the United States and the Cuban government are those existing between sovereign, independent and equal powers; and that no steps should be taken which would tend to render more likely the need...of formal intervention granted to the United States by the existing treaty between the two nations."⁶

In brief, Welles was to negotiate a trade agreement with Cuba, offer friendly mediation to resolve the political turmoil and to encourage Machado to end the state terrorism.

6. Cordell Hull Memoirs pg. 313

When Welles arrived in Cuba in May, he was preoccupied with two primary concerns: first that the Platt Amendment imposed certain responsibilities upon him, and secondly, that the uncontrolled chaos might compel the United States to intervene due to article III of the Platt Amendment. During the first few weeks in Havana, Welles worked with the Cuban government to negotiate a trade treaty, primarily aimed at bolstering the sugar industry. In a short time, however, Welles observed that political instability was so high that no economic plans could be negotiated until the political turmoil was first settled.⁷

The first steps Welles took to alter the political conditions was to encourage Machado to restore constitutional guarantees, end press censorship, and terminate martial law. At first, Machado was reluctant, but eventually he capitulated to the ambassadors suggestions. Roosevelt believed that Welles could resolve the troubles in Cuba by working solely with the political leadership. Welles was at first confident that he could work with Machado and restore political stability by having the political leaders negotiate an agreement. What Welles did not understand, however, was that the chaos stemmed from the conflicts between the political leadership, and the working classes even though at this time social conditions in Cuba were at its nadir. The Machado government had reduced all but the lowest salaries of its employees (and those of the army and police force) by up to fifteen percent. Welles was not concerned with discussing the conditions of the working classes even though at this time social conditions in Cuba were at its nadir. The Machado government had reduced all but the lowest salaries of its employees (and those of the army and police force) by up to fifteen percent. Welles was not concerned with discussing the conditions of the working classes even though at this time social conditions in Cuba were at its nadir. The Machado government had reduced all but the lowest salaries of its employees (and those of the army and police force) by up to fifteen percent.

By the first week of July 1933, Welles had spent many weeks in negotiations with Machado and the moderate political opposition and eventually he had them agree to his

7. Frank W. Graff, The Strategy of Involvement: A Diplomatic Biography of Sumner Welles pg. 67

"friendly and official" mediation. Early in July, Welles reported that "there is now evident a far more temperate and far more constructive point of view" and that negotiations were proceeding satisfactorily. The ambassador hoped that soon the political turbulence would settle so he would be able to negotiate his economic program.⁸

The progress Welles had made thus far in Cuba was solely of his own making. The ambassador had received no further instructions from the State Department since May. Roosevelt congratulated Welles in a letter:

"This is the first chance I have had to write you and tell you how proud I am of all you have been accomplishing since you got down to Havana. I have been so taken up with the European situation that all I have been able to do in regard to Cuban affairs has been to read your dispatches and dismiss them from my mind for the very good reason that you seem to be getting the situation under control and have the confidence of the people who count."⁹

Roosevelt believed that Welles could resolve the troubles in Cuba by working solely with the political leadership.

Welles was not concerned with discussing the conditions of the working classes even though at this time social conditions in Cuba were at its nadir. The Machado government had reduced all but the lowest salaries of its employees (and those of the army and police force) by up to fifteen

8. Foreign Relation of The United States, Telegram (hereafter cited as: FRUS) Welles to Hull, July 3, 837.00/3569

9. The Roosevelt Letters, Ibid pg. 23 837.00/3603

percent.¹⁰ Public outrage mounted and on July 10, the omnibus line drivers of Havana went on strike. On July 23, the bus drivers joined the strike. As Machado continued to withhold martial law, more workers were inclined to demonstrate their opposition to the government. By the first of August, taxi drivers and rail conductors joined the strike resulting in a total paralysis of the transportation system in Havana.¹¹

Welles made the mediation process his top priority in Cuba. Even though the ambassador reported that "within the next twenty-four hours there will be a state of near starvation in Havana,"¹² Welles decided to continue to withhold the economic aid he was to negotiate until after the political turmoil on the island had been settled. This was because Welles found leverage in using economic aid as a reward to be offered once the Cuban government resolved social and political conditions.

On August 4, Machado's Liberal Party asked Welles to terminate the mediation process, arguing that it had caused the general strike to grow and had provoked public opposition to the government. Welles immediately refused the request.¹³ Welles justified his firm position by stating

10. William E. Walling, Current History pg. 261

11. Jules R. Benjamin, Ibid pg. 85

12. Confidential Diplomatic Post Records, Cuba Part 1, 1930-1939 Telegram (hereafter cited as: CDPR) #311

13. (FRUS) Welles to State Department 837.00/3603

that "if mediation proceedings broke down...the opposition factions would immediately return to terrorism and to revolution."¹⁴ Machado came to Welles later that day and although he stated that "the mediation had weakened the authority of his government," the president agreed to stay on with the mediation process so long as he was not "thrown into the street."¹⁵ What seems clear is that Machado could not control the island without resort to martial law, and that Welles was not simply in the position of a removed third-party mediator, but that the ambassador held a position of great influence in guiding the course of Cuban internal affairs.

The State Department had been officially announcing that Welles was working within the scope of the Good Neighbor Policy by not directly interfering in the Cuban political developments, yet it is clear that the ambassador had substantial influence in Havana. Perhaps Welles felt it justified that his powerful role in Cuba remain confidential. Regardless of the degree of power Welles had, the public in both the United States and in Cuba expected that Machado would be disposed. In America, the popular magazine Literary Digest, was keeping close account of the developments in Cuba during the summer of 1933. In July the

16. Literary Digest, 116, (July 1933) pg. 12

17. (CDBR) Welles to State Department #317

14. Ibid, 837.00/3601

15. Ibid, 837.00/3603

magazine reported that in "Welles's mediation plan, the people at large expected to see Machado go without delay."¹⁶

On August 7, a false radio announcement stated that Machado had resigned. This broadcast sent thousands of exhilarated Cubans into the streets of Havana. Riots ensued but were quickly suppressed by the police; twenty-one persons were killed and 160 were injured.¹⁷ Clearly Machado was a terribly unpopular leader, and Welles felt confident in doing all he could to ensure his disposal, even though he officially was supposed to be only mediating a "Cuban solution to a Cuban problem." *In Cuba. Furthermore, Roosevelt*

said: On the evening of the same day, Welles went to see Machado and presented to him a five-point plan which basically demanded that Machado take a leave of absence, and that a Secretary of State be appointed out of the cabinet to temporarily fill the presidency. Welles impressed upon Machado that this plan was "the only possible solution to prevent a state of utter chaos in the republic."¹⁸ Welles then reported to the State Department that he was "confident [that] if these agreements can be reached and made public within 48 hours, the strike will cease immediately and the country will rapidly return to normal conditions."¹⁹ These statements demonstrate that Welles was now convinced that

recognition from Machado, because in Cuba "no regime could

16. Literary Digest, 116, (July 1933) pg. 12

17. (CDPR) Welles to State Department #317

18. (FRUS) Telegram 837.00/3606

19. *Ibid* Telegram August 9, 1933

Machado could not be reasoned with, and that he was indeed playing a guiding role in Cuba.

The following day Welles got word that the Cuban ambassador in Washington, Cintas, was directed by Machado to complain to Roosevelt about Welles's intention to "overthrow the [Cuban] government."²⁰ Welles immediately sent a message to Roosevelt requesting that he tell ambassador Cintas that the policy Welles was pursuing in Cuba was the official policy of the State Department. Roosevelt consulted with Cintas the following day and asserted his complete support of Welles's position in Cuba. Furthermore, Roosevelt said that Machado "would be remembered as a great man in history, a leader and a patriot if he would step down."²¹ Welles was able to obtain special support from Roosevelt due to their long and trusted friendship. This political leverage enabled Welles to save face while he was overstepping the boundaries of the Good Neighbor policy in Cuba. ~~ok to Washington for support but instead turned to~~ When Welles reported that he had received a series of assassination threats on August 9 he began to feel an even greater sense of urgency to dispose of Machado. Although Welles said he did not fear for his life, the tone in his telegrams did alter some, and he even proposed to withdraw recognition from Machado, because in Cuba "no regime could

20. (FRUS) Memorandum 837.00/3629

21. (CDPR) Telegram August 9, 1933

long survive without the recognition of the United States."²²

As the situation in Havana grew worse, Welles began to talk of the right of intervention: "The whole object of my mission has been to avoid intervention and that the United States will only consider intervention if it is forced to do so by the clear requirements of its treaty obligations as contained in Article III of the Platt Amendment."²³ Welles wanted to make it clear that even though the objective of the Good Neighbor policy was to avoid the need for any such armed intervention, the United States "will not evade [the right to intervene] rather than evade the issue."²⁴ The issue was how best to resolve the Cuban crisis now that it reached a critical apex.

The State Department was not supportive of Welles's suggestions of nonrecognition or a threat of intervention to force Machado from office. So, the ambassador decided not to look to Washington for support but instead turned to domestic points of leverage, that of the Cuban Army. On August 11, Welles reported that he had a confidential talk with General Alberto Herrera, the Chief of Staff of the Cuban Army and Machado's War Secretary. Welles called Herrera "the only member of the present government who has unswervingly supported my efforts...and has invariably

22. Ibid

23. Ibid

24. Ibid

maintained faith in me."²⁵ Herrera supported Welles's plan to have Machado take "a leave of absence" as proscribed in the five-point plan. Machado was deserted by his Army, his remaining power base, when his top General withdrew his support of the president and gave it to Welles. Thus, Machado was undermined by the American Ambassador. Perhaps without Welles's guidance and encouragement Machado would not have left office as soon as he did on August 12, but it seems clear that the hated tyrant was on his last leg.

Realizing the degree to which the Army ultimately controlled the political conditions on the island, and was prepared to use the Army as his strongest point of leverage in Cuba.

In an insightful article entitled, "Young Cuba Rises," which appeared in Scribner's Magazine in November of 1898, Charlton Beale writes that because Cuba has no economic resources nor industrial development, "public posts become extraordinary prizes to be fought over at the point of a gun. Since power is the prize, the government organizes a professional army to retain it...its mission is purely political since Cuba has no foreign enemies."¹ Indeed, since the United States had promised military protection in the event of a foreign invasion of her neighboring island in the permanent treaty of 1903, Cuba had no foreign enemies for the Army to fight off. The Army assumed a domestic function, to control the political and social arenas.

1. Charlton Beale, "Young Cuba Rises" Scribner's Magazine

25. (USFR) Telegram 837.00/3640

Chapter Five:

The Fall of Machado and Welles' Diplomacy

On August 11, Welles had effectively persuaded the core of the Army officers to withdraw their support of Machado. The great power which the Army contained was exemplified when within twenty-four hours of the officers announcement, Machado was on his way into exile. Welles had come to realize the degree to which the Army ultimately controlled the political conditions on the island, and was prepared to use the Army as his strongest point of leverage in Cuba.

In an insightful article entitled, "Young Cuba Rises," which appeared in Scribners Magazine in November of 1933, Carleton Beals writes that because Cuba has no economic resources nor industrial development, "public posts became extraordinary prizes to be fought over at the point of a gun. Since power is the prize, the government organizes a professional army to retain it...its mission is purely political since Cuba has no foreign enemies."¹ Indeed, since the United States had promised military protection in the event of a foreign invasion of her neighboring island in the permanent treaty of 1903, Cuba had no foreign enemies for the Army to fight off. The Army assumed a domestic function, to control the political and social arenas.

1. Carleton Beals, "Young Cuba Rises" Scribners Magazine, 94, (November 1933): 269

By August 13, just one day after Machado's departure, Welles notified the State Department that Carlos Manuel de Cespedes had been sworn into office. Because Welles called the change constitutional, the United States official recognition was extended immediately. Welles considered Cespedes "a most sincere friend of the United States," and was Welles's personal choice as the replacement president. Cespedes was born and educated in the United States, served in the U.S. Army, and had personally known Welles since he was a minister of Cuba in Washington during the Wilson Administration.²

In the ambassador's mind, there was every reason to believe that Cespedes would be well received, not only by the State Department but in Cuba as well. Daily, Welles had been in contact with the leaders of the opposing factions and had received their full approval of the moderate Cespedes as provisional president who would be serving until a general elections could be held.

Welles had disguised to the world the degree to which he had personally meddled into the internal affairs of Cuban politics, the degree to which he intervened and thus contradicted the official statements of his role in Cuba. On August 13, President Roosevelt delivered a public address in which he described the change in government in Cuba as entirely constitutional and that "no possible question of intervention or the slightest interference with the internal

2. Jules R. Benjamin, Ibid pg.128

affairs of Cuba had arisen or is intended..."³ Because Welles had been so instrumental in shaping the political environment, in which Cespedes was able to rise, it appears that the Roosevelt Administration was trying to cover up the fact that Welles had indeed actively intervened in the Cuban political process.

Welles believed that he had accomplished his mission in Cuba when Cespedes assumed the presidency. The ambassador finally requested the economic aid that had been promised to Cuba once she resolved her political turmoil. Thus he presumed that the island had accepted the transition. Although Welles knew that complete stability was not yet restored in Cuba, he did not anticipate that Cespedes would be driven from power within two weeks. Even though Welles reported to the State department that "the younger generation and the ideals for which the organized groups of the former opposition have been struggling are very much at the fore,"⁴ he did not expect that the students and the Army sergeants would turn in opposition to the Cespedes government which the ambassador had been so instrumental in creating.

In spite of Welles's confidence in the newly established Cespedes regime, on September 5, he announced to the State Department that by morning "there will be a complete

3. The Public Papers and Addresses of Franklin Delano Roosevelt pg. 367DR

4. (FRUS) Telegram 837.00/3656

collapse of government throughout the island..."⁵ Again, it was primarily the strength and influence of the Army which determined the fate of the Cuban government. However, on this occasion it was not the officers, but the noncommissioned soldiers who shook the political ground. The second mutiny by the Cuban Army came from within the ranks, as Welles reported to the State Department, "all military officers have been removed and a sergeant named Batista has been installed as Chief of Staff."⁶

The sergeants and younger officers were dissatisfied with the limited change in the Cuban government which the older officers, such as Herrera, had prompted. The soldiers perceived of the officers as sympathetic to the former Machado regime, and that their current support of Cespedes was that of a puppet figure controlled by the United States government. Although Welles was not entirely surprised with the collapse of the Cespedes' cabinet, he was not ready for the mutiny within the Army, as he had just informed the State Department on August 13 that "the army appears completely loyal to the new government."⁷ The ambassador was confronted with an entirely new set of circumstances, and though he had planned to leave the island on September 15, he was forced to remain in Cuba to continue his mission.

5. Ibid

6. Ibid

7. Fulgencio Batista, Ibid pg. 9

Ultimately, Welles had failed in his efforts to bring stability to the island through his "Preventive Policy." The ambassador underestimated the force of the younger generation which brought the unexpected social revolt. Welles falsely believed that stability could be restored in Cuba by altering the elite, political makeup. Yet, Welles was not ready to give in to the new obstacles, as he continued to try to indirectly shape the Cuban destiny.

to completely * clean house and * reform Cuba, * to finally * realize a Cuba by Cubans for Cubans.

The proponents of the coup quickly forced the revolutionary pentarchy, selecting Grau San Martin as the new Cuban President. Welles was immediately dubious of the pentarchy, stating that "It appears hardly likely that a so-called revolutionary government composed of enlisted men of the army and radical students...can form a government adequate for the protection of life, property and individual liberty."⁶ By using the exact language of the Platt Amendment, which gave the United States the legal right to military intervention, Welles was threatening the revolutionaries with what he had promised to avoid all along, armed intervention by the United States.

Welles became deeply frustrated with the revolutionary forces which had summarily undermined the results of his efforts at shaping in Cuba a government entirely compatible to American interest. The ambassador went as far as to

The coup of September 5 was the expression of the great frustration the younger Cuban generation had been feeling. The revolutionary forces within the Army had the strong support of the radical student factions, forming the core of the younger generational movement. The young force was not satisfied with the removal of Machado; they wanted to completely clean house and reform Cuba, to finally realize a Cuba by Cubans for Cubans.

The proponents of the coup quickly formed the revolutionary pentarchy, electing Grau San Martin as the new Cuban President. Welles was immediately dubious of the pentarchy, stating that "It appears hardly likely that a so-called revolutionary government composed of enlisted men of the army and radical students...can form a government 'adequate for the protection of life, property and individual liberty.'"⁸ By using the exact language of the Platt Amendment, which gave the United States the legal right to military intervention, Welles was threatening the revolutionaries with what he had promised to avoid all along, armed intervention by the United States.

Welles became deeply frustrated with the revolutionary forces which had summarily undermined the results of his efforts at shaping in Cuba a government entirely compatible to American interest. The ambassador went as far as to

8. Jules R. Benjamin, Ibid pg 141

completely abandoned the guidelines of the Good Neighbor Policy when he suggested to the State Department "the lending of a police force to the legitimate government of Cuba for a comparatively brief period [so that] we can assist the Cespedes government to function..."⁹ In all but name, Welles was calling for a military intervention to quell the uprising and put the Cespedes' government back on track. ~~ention of intervention, Hull stated in a press~~

~~confer~~ Later that same day, September 7, after consultation with Roosevelt, Secretary of State Hull replied to Welles' request, with grave concern, "that [a police force] would be regarded as a breach of neutrality, as favoring one faction out of many, as attempting to set up a government which would be regarded by the whole world, and especially throughout Latin America, as a creation and creature of the American government."¹⁰ Though Welles was clearly rebuffed by the Secretary's denial, the ambassador would continue to suggest a limited armed intervention until finally, after Roosevelt's insistence, he accepted the position of the State Department. ~~that recognition of Cuba be withheld.~~

~~Further~~ Although Welles could not obtain a police force to settle the disturbances in Havana, American warships, upon his request, were sent to Cuba. On September 6, the day after the successful coup, Welles reported that "the presence in the harbor of Havana...of an American destroyer

9. (FRUS) Telegram 837.00/3778

10. Ibid 837.00/3770

Press Conf. 837.00/3922

and the announcement which local newspapers made of that three other American warships were on their way to Cuban waters has had a very sobering effect and has been highly useful in preventing untrammelled disorder."¹¹

The mere presence of American warships, the silent threat of intervention, appeared sufficient in preventing disorder. To counter assumptions that the ships came with the intention of intervention, Hull stated in a press conference that the warships have "as their mission nothing except the exclusive function of protecting American life in the case of imminent danger. They are not expected to take the place of the rural guards or other officials."¹²

With the warships off shore, Welles was forced to adopt the policies of "strict neutrality" and "watchful waiting" in his dealings with the revolutionary government. Yet, Welles was able to utilize another source of power, that of nonrecognition. Because Welles believed that the present regime had "neither popular support nor the means at its disposal to maintain order," Welles suggested to the State Department that recognition of Cuba be withheld. Furthermore, Welles thought that because Grau had assumed the position of the presidency through an unconstitutional process, he was not legitimate. Since "no government here can survive for a protracted period without recognition by

¹¹ Ibid 837.00/3736

¹² (FRUS) Memorandum Press Conf. 837.00/3932

the United States,"¹³ Welles knew that he still had the power to deny the San Martin government the recognition it needed to maintain lasting control over the island.

The State Department complied with Welles's suggestion to withhold recognition from the new, revolutionary government. Throughout the four months that Grau remained president, recognition was never granted. Former Secretary of State Stimson, under the Hoover administration, remarked that, "Nonrecognition could only be regarded as a form of intervention, and because of the size and power of the United states... such intervention was more than of theoretical importance in Latin America."¹⁴ Thus, the silent power of nonrecognition was substituted for direct intervention.

President Roosevelt was aware that his decision to send warships to Cuba and the withholding of recognition from Grau could provoke serious criticism from the Latin American diplomats in Washington. To cut-off such anger over the American foreign policy in Cuba, Roosevelt executed his policy of consultation. Roosevelt summoned each Latin American diplomat to discuss with them "frankly and in the fullest detail of the situation which had arisen in Cuba."¹⁵

13. (CDPR) Telegram August 9, 1933

14 Hery L. Stimson, On Active Service and Duty (New York: Harper and Brothers) 1947 pg. 178

15 Sumner Welles, The Time For Decision (New York: Harper and Brothers) 1944 pg. 197

Cordell Hull mentioned in his memoirs that the advantages of the consultation policy were twofold: "It strengthened the move we had in mind. And it prevented or lessened the resentment that so often rose in Latin America when the United States acted by herself in the Western Hemisphere."¹⁶

which Roosevelt consulted most closely with the ABCM powers (Argentina, Brazil, Chile, and Mexico) of Latin America. Negotiations to reach an agreement in support of the United States nonrecognition policy was difficult because, "some of the Latin American diplomats in Washington are hesitate to sign a round robin to Cuba because such action might indicate they were trying to intervene in Cuban affairs."¹⁷ Roosevelt was able to get the ABC powers to agree to support the United States' position, but Mexico demurred. Joseph Daniels, American ambassador to Mexico, informed the State Department that the Mexican government "is very tense down here....they feel that if we intervene [in Cuba] it will destroy the Montevideo Conference."¹⁸ then is absolutely

By September 13, Mexico had backed away from Roosevelt's plan of achieving a Latin American consensus on withholding recognition of Cuba. Ambassador Daniels reported that the Mexican Charge d'Affairs, Luis Padilla-Nervo informed him that because "it seemed that a stable government capable of maintaining order had been formed in

16 Cordell Hull, Memoirs pg. 314

17 (FRUS) Daniels to State Department 837.00/3804

18 (FRUS) Telegram 837.00/3940.

Cuba, it did not seem necessary to go any further with efforts to induce other Latin American countries to make suggestions to Havana that a stable government capable of maintaining order be formed."¹⁹

The Mexican government invoked the Estrada Doctrine, which basically stated that if a country's diplomatic representative remains, that is continuing recognition. Such recognition was not necessarily an approval of the existing government, but merely the accepted dealings with the de facto regime.²⁰ Therefore, the Mexican government extended recognition, albeit qualified recognition, to Cuba.

Padilla stepped up the challenge to the United States government when he requested that the warships be withdrawn from Cuba in a telephone conversation with Jefferson Caffery, who was acting Secretary of State while Cordell Hull was sailing to the Montevideo Conference. Caffery replied to Padilla, "We have no desire to keep our vessels in Cuban waters one minute longer than is absolutely necessary."²¹

Padilla then asked, "Could not you make some sort of public declaration to the press here that you hope that the Dr. Grau San Martin government will be able to establish itself solidly...and be able to maintain law and order?"

¹⁹ Ibid 837.00/4224

²⁰ (FRUS) Memorandum of Telephone Conversation: Daniels to State Department 837.00/3940

²¹. (FRUS) Telegram 837.00/4224

Caffery replied, "That would be a partisan declaration, whereas we desire to remain neutral; that declaration would be construed to mean that we have decided to support the de facto authorities and we would be attacked for it by all sides of the Cuban political leaders."²²

Although the Mexican recognition policy suggested that indeed Grau's presidency was legitimate enough to deserve at least a limited degree of support, the State Department was unyielding in its stand against recognition of Grau's presidency because he came to power through a military mutiny, backed by students and young revolutionaries, and not through a constitutional process.

What evidence was there that the revolutionary government maintained sufficient control over Cuba? Most obviously, Grau was able to sustain his presidency, without American economic aid and in post-Machado conditions, for slightly over four months. Since Welles had said that "no government could maintain complete order under post-Machado conditions,"²³ it seems clear that Grau's longevity points out that he was able to effectively keep order.

Grau was able to keep order when the ex-officers of the Army led rebellions in the Camaguey and Oriente provinces in the third week of September, and then again in Havana on October 2. In each case, the new Army was able to crush potential insurrection of the Cuban government. In his

²² Ibid

²³ Bryce Wood, Ibid 87

memoirs, Batista said that the ex-officer efforts, "to bring down the pentarchy by any and all means made it necessary for me to plan for our defense and keep our small Army...in the state of alert...[sending] troops to protect American property." These actions demonstrate that the forces under Batista were loyal to Grau, and quite willing to protect Cuban and American lives and property.²⁴

So, why was it that Welles was so staunchly opposed to the recognition of Grau? Outside of the fact that Grau came to the presidency via an unconstitutional coup de grace of Cespedes, Welles felt that Grau could not protect American financial interest, investments and property, on the island. On September 17, Welles reported that "the American companies, public utilities, importers and sugar mills cannot and will not do business under the present conditions."²⁵ What Grau needed for recognition was not a guarantee of the protection of life, property or individual liberty, but rather a guarantee of protection of American business interest.

In order to secure some leverage in the Cuban political developments, Welles looked again to the Army. Hull impressed upon Welles the inherent strength of the Cuban army in a telephone conversation on September 9 in which the secretary said, "The whole thing revolves around the Army and you might have a commission made up of the finest men in

²⁴ Fulgencio Batista, Ibid pg. 12

²⁵ (CDPR) Telegram # 266

the universe there [in Cuba] and the Army might go back on them within a split second. That is the key to our trouble."²⁶

When Welles reported on October 1 that "the Army is more united in Havana than at any other time during the past month and Batista's position is correspondingly stronger," the ambassador was telling Hull that indeed the core of power in Cuba had formed in the Army. For this reason, Welles and Batista had "a protracted and very frank discussion of the present situation. "Welles urged Batista "to act as intermediary between the groups now at variance and through the force of authority which he represented in his person to insist that an immediate fair and reasonable solution be found so that Cuba might once more possess a government which had the confidence of all."²⁷ Welles said that "Batista most emphatically agreed." The ambassador was sure that by gaining Batista's support, he not only gained leverage in shaping Cuba's politics, but helped protect American financial interest.

While Welles was working to gain a strong foothold in Cuba, the American nonrecognition policy came into question in an editorial to the New York Times on October 29, 1933. After one month in power, Grau was quoted by Author Russel Porter to have said that the revolution of September 5 was an effort "to supplant the Cespedes government, which did

26 (FRUS) Telegram 837.00/3940

27 (FRUS) Telegram 837.00/4126

not meet the aspirations of the people." Grau then declared that "non-recognition in our case signals a new type of intervention--intervention by inertia." Furthermore, Grau said that the United States was to blame for the current unease in Cuba because, "the lack of recognition intensifies the very ills it claims to pacify." finally, Grau tried to quell suspicions that his government was communistic by calling communism, "anachronistic with our social developments and ideas."²⁸ The statements in this editorial clearly challenged the position of the United States.

On November 8, conditions in Cuba became chaotic again when another revolt broke out in Havana. Artillery fire was reported and some stray shots hit a United States' destroyer in the harbor.²⁹ The Army was again able to suppress the revolt, which was in part aimed against the United States, whose warships had been in the harbor for over three months.

After the November revolt and with Grau still in full control, the American policy in Cuba needed some evaluation. For this reason Welles left Cuba for the first time since May to consult with Roosevelt in Warm Springs Georgia on November 19. Although there is no available record of what transpired in Warm Springs, it was decided that Welles would terminate his mission in Cuba on December 13, and the policy of nonrecognition would still be upheld. Shortly after Welles returned to Havana, Roosevelt issued a public

²⁸ The Public Papers of Franklin Delano Roosevelt pg. 317
²⁸ The New York Times, October 29, 1933

²⁹ Bryce Wood, Ibid pg. 93

statement which read, "recognition by the United States of the government in Cuba affords in more than ordinary measure both material and moral support to the government." Roosevelt then reaffirmed that there would be "no recognition to any provisional government [in Cuba] unless it has the clear support of the majority of the Cuban people."³⁰

The United States denied recognition because of a lack of popular support. Yet, there was no clear way to determine what the public really supported except through general elections. Grau had officially announced his intention to hold a constitutional convention on May 20, 1934, to set up a provisional government until general elections could be held on November 1, 1934.³¹ Grau was never able to carry out his promise to hold elections.

Within a few weeks, Welles left Havana to return to his duties at the State Department. The rationale for the sudden departure of Welles was that he had become too deeply and personally become involved in Cuban affairs. On December 18, Jefferson Caffery replaced Welles in Havana. Caffery was given a special title, "The Personal Representative of the President," to demonstrate that he was carrying out Roosevelt's policy. The change of Welles to Caffery did not

³⁰ The Public Papers of Franklin Delano Roosevelt pg. 317
169

³¹ The New York Times October 29, 1933

mean a change in policy had been made, on the contrary, the change made the commitment to nonrecognition more explicit.

Caffery continued relations with Batista, the only one in Cuba whom the State Department believed had true power. On January 10 Batista came to Caffery and asked what "the United States wanted done for recognition." Caffery replied, "I will lay down no specific terms; the matter of your government is a Cuban matter and it is for you to decide what you will do about it."³² This statement effectively told Batista to do whatever he thought was necessary to obtain recognition. Batista met with Colonel Mendieta, leader of the opposition party, and promised that he would support his effort to assume the presidency. Batista chose to support Mendieta because he was moderate enough to satisfy both the American government and the political parties in Cuba. On January 13, Batista told Caffery that he would support Mendieta, and on January 15, Grau San Martin resigned from office.³³

Grau was immediately replaced by Carlos Hevia, his Secretary of Agriculture, who remained in office for three days until he was then replaced by Mendieta. In just over a weeks time, Roosevelt granted recognition to Mendieta. Roosevelt announced his reason for such prompt recognition in a public address:

³² Bryce Wood, Ibid pg.101

³³ Ibid pg 102

"The government of Colonel Mendieta was supported by all of the recognized political parties in Cuba, and there was immediate evidence of overwhelming popular support. because of these facts and because of the apparent ability of his government to maintain public order, the United States extended recognition to the government of Cuba on January 23, 1934."³⁴

Of course there was no way for Roosevelt to determine that indeed Mendieta had popular support any more than he could determine the popularity of Grau. Moreover, the Mendieta transition was considered constitutional, just as when Cespedes had replaced Machado. Yet, the perspective of the State Department was that the Grau government itself was unconstitutional; so how could a constitutional action take place within an unconstitutional government? The real reason for the prompt recognition was that Mendieta, with the full support of Batista, could be trusted to support American financial and strategic interest in Cuba.

Now that there was a president in Cuba that the Roosevelt administration could trust, the reform promises of American political domination in Cuba had suddenly ended, the Good Neighbor policy could finally be extended. On May 29, 1934, The Platt Amendment was finally abrogated; all legal rights of intervention in Cuban affairs were renounced by the United States government. Yet the United States continued to occupy the naval base at Guantanamo and the island was encircled with American warships.³⁵ The Foreign Policy association in the United States sent out a group of

³⁴ The Public Papers and Addresses of Franklin Delano Roosevelt pg 501, #169

³⁵ Bryce Wood, *Ibid* pg. 112

experts to study the social and economic conditions in Cuba. These experts could not condone the inconsistency of abrogating the Platt Amendment while allowing warships to remain on patrol. According to their report, the Roosevelt administration "showed commendable restraint in not landing marines in Cuba during the repeated crisis of the last two years. Nevertheless, the good effect of this policy on Cuban opinion was to a certain extent dissipated by the fact that American warships remained in Cuban waters for over a year."

36. total amount of Cuban sugar imported into the United States In light of the presence of the warships, it seems clear the dominate American position in Cuba had not been greatly diminished. Just because the United States had abrogated the Platt Amendment did not mean that intervention had absolutely ended. The entire period of the nonrecognition of Grau proved that intervention can assume subtle forms. Although optimistic writers alleged that American political domination in Cuba had suddenly ended, the American ambassador still maintained the second most powerful position in Cuba next to Batista.³⁷ For the past thirty-six years the Cubans had learned that when they could not resolve their internal problems, they forced the United

36. Irwin F. Gellman, Roosevelt and Batista (Albuquerque: University of New Mexico Press) 1973 pg. 111

37. Such optimistic writers included Samuel F. Bemis, The Latin American Foreign Policy of the United States (New York: Harcourt, Brace and Co. 1943) pg. 282. Also see Allan Nevins, The New Deal and World Affairs: A Chronicle of International Affairs, 1933-1945. (New Haven, Yale press, 1950) pg 36.

States to take action; thus, the American ambassador became an integral part of the political process. Up until 1934, Cuban politicians had operated under this system, and there was no evidence that this system had changed over night.³⁸

The question of whether or not the United States would continue to interfere in Cuban affairs was effectively dropped when economic reforms, under a reciprocal trade agreement, were established. On August 24, 1934. The Jones-Costigan Act passed in Congress, permitting an increase in the total amount of Cuban sugar imported into the United States. A bilateral treaty was negotiated to reduced the tariff on sugar to slightly less than half of the tariff on sugar from other countries paying full duty.³⁹ Yet, Cuban preferences on American goods were set for at least the three year life of the treaty, while the major United States concessions (the sugar quota and tariff) could be altered by Congress or the executive and were tied to the political fate of the Jones Costigan Act.⁴⁰ This shows that the United States had the upper hand in these trade agreements. Cuban employment rose as the economy was boosted, but the island became more dependent upon the production of sugar and the American market. Moreover, Cuban plans to diversify their economy were undermined by the new trade agreements.

38. Irwin F. Gellman, Ibid pg 120

39. Bryce Wood, Ibid pg. 112

40. Jules R. Benjamin, Ibid pg. 179

These political and economic arrangements remained in operation throughout Roosevelt's long tenure. The Cuban case was hailed as the first concrete examples of a new Latin American policy. Closer examination, however, reveals that the Roosevelt administration was not implementing a new program, but discarding the outmoded elements of the traditional client-state program. The fundamental relationship between the United States and Cuba had not been changed, only the tactic had been altered. Even with the absence of the Platt Amendment, American warships could patrol Cuban waters, the American ambassador could exert his influence, and the Cuban economy was still entirely dependent upon the American economy.

In the years following his mission in Cuba, Sumner Welles led a movement (through various speeches, radio addresses, pamphlet writings and later in his memoirs) to convince the American public that the Roosevelt administration had changed the fundamental relationship with Cuba. In a speech before the Institute of Public Affairs at the University of Virginia on July 2, 1935 Welles declared that the "policy of your government toward Cuba has been for the past 2 years, in the best sense of the word, the policy of the 'good neighbor'." Not only had the United States canceled its right to intervene, he continued, but also "our relationship with Cuba stands on exactly the same footing as our relationship with any other sovereign independent nation

of the world."⁴¹ The former Cuban president, Grau San Martin, concluded differently. Grau felt that even though the Platt Amendment had been repealed, its spirit still remained in the American ambassador. Grau asserted in 1935 that there was "more intervention in Cuba today than ever there was during the days of the Platt Amendment."⁴²

In my estimation, Sumner Welles was simply extending the nebulous platitudes of the Platt Amendment, not speaking in terms of reality. San Martin's allegations have credence in light of the warships, his personal experience with the position of the American ambassador and the economic dependency question. Because of the historically unique relationship with the United States, the Good Neighbor policy could not be implemented in Cuba. However much the absence of the Platt Amendment pleased the Latin nations, and however much it increased the credibility of the Good Neighbor policy, Cuba remained an economic and political appendage of the United States government.

Roosevelt and the State Department played a larger role in shaping the Cuban policy. Gradually, Welles' power was reduced until finally he was replaced. The president overestimated the ability of one man to handle the Cuban problem, and had underestimated the power of the social unrest in the island. These misperceptions demonstrate how a problem can be made worse if it is not at first fully

41. Irwin F. Gellman, *Ibid* pg. 119

42. (FRUS) George Samnerlin in Panama to Hull, August 10, 1935 837.00/6501

Cuban problem. Conclusion would have been invested in understanding Cuba's condition in order to anticipate the

possible. Because Sumner Welles was unable to achieve his mediation goals, the Good Neighbor policy failed in Cuba. The reasons for the failure of this policy are not unlike the reason for policy failures in general. The main cause of the ambassador's failure in Cuba was that he did not understand the problem. From the outset, Welles believed that he could resolve the Cuban turmoil by simply working within the context of the political elite. Had Welles more clearly understood the scope of the problem, that the Cuban turmoil stemmed from not only Machado's misrule but from the severe economic conditions, mass unemployment and the deep social unrest, he would have approached the problem with a broader objective in mind.

Welles was granted full control over the implementation of the Good neighbor policy in Cuba until the revolution of September 5 undermined his efforts. At this point, both Roosevelt and the State Department played a larger role in shaping the Cuban policy. Gradually, Welles' power was reduced until finally he was replaced. The president overestimated the ability of one man to handle the Cuban problem, and had underestimated the power of the social unrest in the island. These misperceptions demonstrate how a problem can be made worse if it is not at first fully researched and understood. Although the Roosevelt administration could not have known every detail of the

Cuban problem, more effort should have been invested in understanding Cuba's condition in order to anticipate the possibility of policy failure and the need for revision.

The unique development of Cuba under the tutelage of the United States gave rise to the grave internal conditions of 1933, both the political repression and the economic depression. Because of the Roosevelt administration's misperception of the ambassador's ability and the misunderstanding of what exactly was the problem which it confronted, the Good Neighbor policy could not be successfully implemented in Cuba.

4. Benjamin, Jules R. The United States and Cuba: Hegemony and Dependent Development, 1880-1934. Pittsburgh: University of Pittsburgh Press, 1974
5. Chapson, Charles E. A History of the Cuban Republic. New York: McMillan Co., 1927
6. DeConde, Alexander. A History of American Foreign Policy, Vol. II, third edition. New York: Charles Scribner's Sons, 1976
7. Feis, Herbert. The Diplomacy of the Dollar, 1919-1932. New York: W.W. Norton and Co., 1955
8. Fitzgibbon, Russell W. Cuba and the United States, 1900-1935. New York: Russell & Russell Inc., 1964
9. Gellman, Irwin F. Roosevelt and Batista: Good Neighbor Diplomacy in Cuba, 1933-1945. Albuquerque: University of New Mexico Press, 1973
10. Gellman, Irwin F. Good Neighbor Diplomacy. Baltimore: The Johns Hopkins University Press, 1973
11. Hull, Cordell. Memories. New York, 1948
12. Jenks, Leland. Our Cuban Colony: A Study in Sugar. New York: Vanguard Press, 1929
13. Leifer, Walter. The New Republic. Ithaca: Cornell University Press, 1963

14. Munro, Gene G. The United States and the Caribbean Area. Boston: World Peace Foundation, 1934

15. Deras, Louis A. Jr. Intervention, Revolution and Politics in Cuba, 1913-1971. Pittsburgh: University of Pittsburgh Press, 1974

Bibliography

16. Sartre, Jean-Paul. On Cuba. Connecticut: Greenwood Press, 1961

I. Books

17. Smith, Robert F. Background to Revolution: The Development of Modern Cuba. New York: Knopf Press, 1966

1. Batista, Fulgencio. The Growth and Decline of the Cuban Republic. New York: The Devin-Adair Company, 1964

2. Beals, Carleton. The Crime of Cuba. Philadelphia: J.B. Lippincott Co., 1933

3. Bemis, Samuel Flagg. The Latin American Foreign Policy of the United States. New York: Harcourt, Brace and Co., 1943

4. Benjamin, Jules R. The United States and Cuba: Hegemony and Dependent Development, 1880-1934. Pittsburgh: University of Pittsburgh Press, 1974

5. Chapman, Charles E. A History of the Cuban Republic. New York: Mc Millian Co., 1927

6. DeConde, Alexander. A History of American Foreign Policy, Vol. II, third edition, New York: Charles Scribner's Sons, 1978

7. Feis, Herbert. The Diplomacy of the Dollar, 1919-1932. New York: W.W. Norton and Co., 1955

8. Fitzgibbon, Russell H. Cuba and the United States, 1900-1935. New York: Russell & Russell Inc., 1964

9. Gellman, Irwin F. Roosevelt and Batista: Good Neighbor Diplomacy in Cuba, 1933-1945. Albuquerque: University of New Mexico Press, 1973

10. Gellman, Irwin F. Good Neighbor Diplomacy. Baltimore: The Johns Hopkins University Press, 1979

11. Hull, Cordell. Memoirs. New York, 1948

12. Jenks, Leland. Our Cuban Colony: A Study in Sugar. New York: Vanguard Press, 1928

13. Lafeber, Walter. The New Empire. Ithaca: Cornell University Press, 1963

14. Munro, Dana G. The United States and the Caribbean Area. Boston: World Peace foundation, 1934
15. Perez, Louis A. Jr. Intervention, Revolution and Politics in Cuba, 1913-1921. Pittsburg: University of Pittsburg Press, 1978
16. Sartre, Jean-Paul. On Cuba. Connecticut: Greenwood Press, 1961
17. Smith, Robert F. Background to revolution: The Development of Modern Cuba. New York: Knof Press, 1966
18. Smith, Robert F. The United States and Cuba: Business and Diplomacy, 1917-1960 New York: Bookman Associates, 1960
19. Spalding, Hobart A. Organized Labor in Latin America. New York: Harper Torchbooks, 1977
20. Stimson, Harry L. On Duty and Active Service. New York: Harper & Brothers, 1947
21. Thomas, Hugh. Cuba: The Pursuit of Freedom, 1762-1969. New York: Harper Row, 1971
22. Welles, Sumner. The Time For Decision. New York: Harper & Brothers, 1944
23. Welles, Sumner. Naboth's Vineyard, Vol. II. New York: Payson and Clark, Ltd., 1928
24. Wood, Bryce. The Making of the Good Neighbor Policy. New York: Columbia University Press, 1961
25. Zeitlin, Maurice. Revolutionary Politics and the Cuban Working Class. New York: Harper and Row, 1970

II. Articles:

1. Beals, Carleton. "Young Cuba Rises." Scribner's Magazine, 94, (November 1933): 267-71
2. Bowers, Robert E. "Hull, Russian Subversion in Cuba, and Recognition of the USSR" The Journal of American History, 53 (December 1966): 542-55
3. Buell, Raymond L. "The Caribbean Situation: Cuba and Haiti." Foreign Policy Reports, 9, No.8 (June 21, 1933): 81-87

4. Davis, Norman. "Wanted: A Consistent Latin American Policy." Foreign Affairs, (July 1931): 547-67
5. Ferrara, Orestes. "President Machado's Administration of Cuba." Current History, 32, (May 1930): 257-67
6. Gruening, Ernest. "Cuba Under the Machado Regime." Current History, 34, (May 1931): 214-19
7. Guggenheim, Harry F. "Amending the Platt Amendment." Foreign Affairs, 12, (April 1934): 448-57
8. Hunter, John M. "Investment as a factor in the Economic Development of Cuba, 1899-1935." Inter-American Economic Affairs, 5, No.3 (Winter 1951): 82-96
9. O'Connor, James. "The Organized Working Class in Cuba." Studies on the Left, 6, No.2 (March-April 1966): 3-30
10. Inman, Samuel G. "Imperialistic America." Atlantic Monthly, 134 (July 1924): 107
11. Schurz, William L. "Cuba's Economic Isolation," Current History, 36, (August 1932): 545-49
12. Stimson, Harry L. "The United States and the Other American Republics." Foreign Affairs, 9, No.3 (April 1933), supp
13. Torriente, Cosme de la. "The Platt Amendment." Foreign Affairs, 8, No.3 (April 1930): 364-78
14. Walling, William E. "President machado's Administration of Cuba." Current History, (May 1930): 258-64
15. Welles, Sumner. "Is the United States Imperialistic?" Atlantic Monthly, 134, (September 1924): 412

III. Documents and Publications:

1. Confidential Diplomatic Post Records, Cuba Part 1, 1930-1939. (Microfilm Reproduction). Frederick, Md.: University Publications of America
2. United States Congressional Record. 73 rd. Congress 1 st. session, Vol. 77. And Second Session, Vol 78. Washington D.C. Government Printing Office, 1933-1934
3. Graff, Frank W. "The Strategy of Involvement: A Diplomatic Biography of Sumner Welles." Ph.D.

dissertation. Ann Arbor: University Microfilms,
University of Michigan, 1971

4. Mesa-Lago, Carmelo. "The Labor Force, Employment,
Unemployment and Underdevelopment in Cuba: 1899-1970."
Beverly Hills: Sage Publications, 1972
5. Perez-Lopez, Jorge. "An Index of the Cuban Industrial
output, 1930-1958." Quantitative Latin American Studies
Methods and findings. Los Angeles: UCLA Latin American
Center Publications, 1977
6. The Roosevelt Letters, Vol. III London: George G. Harper
& Co. Ltd., 1952
7. The Public Papers and Addresses of Franklin Delano
Roosevelt. New York: Random House, 1938
8. Foreign Relations of the United States, Vol. 5, 7 (Post
Records) Washington D.C., 1952

IV. Newspapers:

1. The New York Times: 1915, 1917, 1933
2. The Los Angeles Times: 1933
3. The San Francisco Chronicle: 1915, 1917, 1933-34