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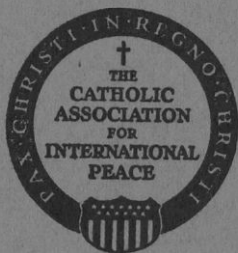
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# The United States and the Dominican Republic

By  
Elizabeth W. Loughran  
and the  
Latin America Committee

A Report of the Latin America Committee

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THIS is a report from the Latin America Committee of the Catholic Association for International Peace and is being issued as a study from this Committee. It was presented and discussed at the regular annual meeting of the organization. The Committee coöperated in the final form of the report. It was presented to the Executive Committee which ordered it published. As the process indicates, this report, being the report of only one Committee, is not a statement from the whole Association.

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# THE UNITED STATES AND THE DOMINICAN REPUBLIC

Study Presented

*to*

The Catholic Association for International Peace

*by*

The Latin America Committee

PRICE 10 CENTS

THE CATHOLIC ASSOCIATION FOR  
INTERNATIONAL PEACE

1312 Massachusetts Avenue N.W.  
Washington, D. C.

THE UNITED STATES AND THE  
DOMINION OF THE SEA

Study Report

The Catholic Association for International Justice

The Study Committee

THE CATHOLIC ASSOCIATION FOR  
INTERNATIONAL JUSTICE  
1110 Massachusetts Avenue, N.W.  
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## THE UNITED STATES AND THE DOMINICAN REPUBLIC

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ONE of the chief aims of peace education in a democracy such as ours is to train people to evaluate the reasons for and against specific foreign policies, so that our political parties will encounter an enlightened public opinion on foreign relations, to which they must appeal in any national campaign and to which, consequently, they will be held answerable during their term in power. In the case of our relations with Hispanic Latin America we have had a definite policy and many examples of its application. We know, moreover, that it has resulted in a general sentiment against the United States that in some countries amounts to open hostility. The best method of arriving at an appreciation of this policy and of whatever need for change exists is through a study of our dealings with the individual countries, which will show the difficulties inherent in each situation, the motives behind our action and the reasons for the opposition such action has aroused. The Catholic Association for International Peace is issuing a series of reports<sup>1</sup> from its Latin America Committee on the more important instances of inter-American action.

The conflict between the United States and the Dominican Republic, like most of the conflicts in the present century between Hispanic America and this country, arose from debts contracted with American and European capitalists and the apparent inability of unstable governments to arrange terms satisfactory to the creditors. Our government found itself under pressure from our own citizens anxious to protect their investments and from European nations which, because of the Monroe Doctrine, looked to us to act on behalf of their nationals. In 1916,

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<sup>1</sup> *The Church's Part in the Fusing of Indian and Spanish Culture*, Carlos E. Castañeda; *Catholicism—the Keynote of Inter-Americanism*, Marie R. Madden; *Conciliation and Arbitration in Latin America*, John Meng; *Latin American Literature*, E. Francis McDevitt; *Catholic Action in Latin America and Twentieth Century Civilization in Latin America*, Rev. R. A. McGowan; *Social Work in Latin America*, Rose J. McHugh; and *Technical Schools in Latin America*, Rev. Richard Pittini, S.C.

after a decade or more of negotiations, a Military Government by the United States Navy was set up in Santo Domingo, and for six years it performed the functions of the Dominican government. The events which led directly to so drastic an action on the part of the United States government were a natural outcome of the disturbed state of Dominican politics and of the economic penetration by American financiers during the latter half of the nineteenth century. Before examining this two-fold development let us glance at the country.

The Dominican Republic occupies the eastern and central parts of the island of Haiti, the second largest of the Antilles, which lies between Cuba and Puerto Rico, separated from the former by the Windward Passage and from the latter by Mona Passage, the gateway from the Atlantic Ocean to the Panama Canal. In area, the island is somewhat smaller than the state of Maine; about three-fourths of it, 19,332 square miles, are occupied by the Dominican Republic and the remaining section, to the west, by the Republic of Haiti. Broad valleys between high mountain ranges give the island a varied topography and a wide range of climate. While sugar is by far the most important export, the island is rich in many other products such as: Cocoa, coffee, tobacco, tropical and semi-tropical fruits, almost all kinds of minerals and cabinet woods of the finest grade. Between 1911 and 1921 the bulk of Dominican trade, both import and export, was with the United States. In 1921, our sugar legislation, which raised the tariff on Dominican sugar a cent a pound and let Cuban sugar in free, caused a considerable drop in exports to the United States, and a corresponding increase to England and France. Figures <sup>2</sup> for the years 1932 and 1933 are as follows:

	1932	1933
Exports to the United States .....	17.09%	20.03%
Exports to the United Kingdom .....	43.36%	29.56%
Exports to France .....	18.90%	21.23%
Exports to Other Countries .....	20.65%	29.18%

The United States still leads in the import trade (58% in 1933 and 1934).

<sup>2</sup> *Statesman's Year Book*, 1934, p. 818, and the Washington Legation of the Dominican Republic.



The population as given in the 1920 census was 894,665, a figure that is usually considered an estimate. Of these, 223,144 were listed as white, 444,587 as mixed, and 226,934 as Negro. The question of race has played a part in the country's history though it has not raised such acute issues as in the Republic of Haiti or in our own South. As to religions, the census gives 882,425 Catholics, 11,927 Protestants and 55 Jews. The Catholic World Atlas, 1929, gives the following statistics: Over 1,000,000 Catholics; 58 parishes; 64 diocesan priests; 18 priests of religious orders, and over 200 Sisters. The entire Republic is a single diocese, the Archbishop of Santo Domingo, the prelate. The Constitution grants religious liberty, though it recognizes the Catholic Church as "the religion professed by the majority." The law requires that the civil ceremony be performed before the religious to make a marriage legal. Free Masonry has flourished during the last hundred years; the number of lodges given in 1907 was 13.

The country has borne three official names: Española, corrupted into Hispaniola, up to 1821; Spanish Haiti from 1821 to 1844, and since that date the Dominican Republic. From some time in the seventeenth century, long before it ceased to belong to Spain, it was generally called Santo Domingo, or San Domingo, and this name still clings to it in popular speech.

The island was settled by the Spaniards who accompanied Columbus on his second voyage, and for three decades it was the focal point of the affairs of the new world. There the first American hospital, college and cathedral were built and the Spanish colonial form of government initiated. When England, toward the end of the sixteenth century, and France, fifty years later, determined to weaken the Spanish colonial system they sent their piratical expeditions to this rich little island and for many years it was under constant attack. In 1697 the island was divided in accordance with the terms of the Treaty of Ryswick, by which the part which is now the Republic of Haiti was ceded to France. As a result of this political division the western part of the island became French in culture while the eastern part kept its Spanish traditions, and both cultures have remained strong through the many political changes of the succeeding centuries. Spain ceded the Spanish colony to France in 1795, and for a few years both parts of the island were

separate French colonies, the one truly French, as we have just noted, the other Spanish in everything except government.

At the dawn of the nineteenth century, Toussaint L'Ouverture, the famous Negro leader, gained control of the western colony and declared it independent under the name of the Republic of Haiti. With a fixed idea of reducing the island to a single indivisible republic, he attacked the eastern colony but the latter, with the help of England, defeated the plan and succeeded in returning, in 1808, to its previous status of Spanish colony. In 1821, however, it declared itself free and an integral part of the new Republic of Colombia.

At this time, the President of the Republic of Haiti was Boyer, a strong executive who, coveting the rest of the island, claimed it as a part of his territory, in accordance with the tradition dating from L'Ouverture. In the constitution drawn up when it declared itself part of Colombia, Santo Domingo had adopted the name of Spanish Haiti. Using this name as an excuse for carrying out his plan, Boyer declared that Spanish Haiti had formally submitted to the laws of the Republic of Haiti, and, in the early part of 1822, he mobilized his army for occupation. The Dominicans fought with desperation, but Boyer won after a campaign savage in its ruthlessness. For eighteen years Boyer governed the colony, through unsympathetic Haitian officials. Commerce ceased, the university and schools were closed, parishes were, for the most part, without priests. Colombia refused to receive the Haitian diplomatic representatives, but could not go to the rescue. This stagnation and the consequent emigration of many leading Dominicans account in large measure for the paucity of leaders during the second half of the century. In 1838, a revolutionary society, called La Trinitaria organized resistance to Haiti, and in 1843, directed a revolution. Haiti tried in vain to crush it. The Dominicans won, and in 1844 the administration of Haitian officials ended.

Santo Domingo was now a republic, but whether it was better to remain such was a matter of doubt among the governing classes. A Provisional government took charge, and immediately arose the question that was to divide the leadership of the country for the next half century, and to place it finally in its present relationship to the United States, namely, whether to

maintain a republic or to become a protectorate. Above all calamities, people feared subjection to the neighboring Negro republic, and many believed that only a protectorate could assure their safety. Generals Pedro Santana and Beneventura Baez, the two most influential leaders in Dominican politics for many decades, were both in favor of a protectorate under France, Spain or England. They negotiated with these nations but none of them wanted the protectorate. Then Baez turned to the United States. Our State Department sent several emissaries to investigate conditions, but no official action resulted. About 1850, the Ciboa, important provinces in the north, petitioned the President to initiate negotiations with the United States for a protectorate or annexation. An official inquiry was addressed to this country asking if "the United States would take the Dominican Republic under its protection." The Dominican President, seeing that the negotiations were lagging, sent a dispatch saying that a Haitian squadron was in the harbor, and that the Dominicans would be glad to see the United States intervene to maintain peace, but that they must "preserve their nationality and independence as a *sine qua non* of any agreement which involved Haiti." While this exchange of notes was going on, war with Haiti broke out anew in all its fierceness. France, England and Spain stood firm against intervention by the United States, and their consular agents brought pressure upon the Dominican government to apply instead to their respective governments for aid. The Dominican President then withdrew his request from Washington, and France, England and Spain united to repulse the Haitian invasion. In Washington and the United States at large, the question of slavery loomed so large that it obscured all else, and thus there was little general interest in these proceedings.

With the election of Pierce, in 1854, and the appointment of William Marcy as Secretary of State, official interest in the Dominican Republic quickened. Mr. Marcy believed that it was the "manifest destiny of the United States to extend southward." General William L. Cazneau was sent to Santo Domingo as special agent with plenipotentiary powers to obtain a foothold in the Republic. Cazneau was a Texan, and he had watched the slave owners of the South maneuver Texas into the United States. He had no conception of international

equity, and he was not the sort of person likely to instill in Santo Domingo respect for the motives behind our foreign policy. President Pierce sent also a commission to report on the condition of the island, and Captain George B. McClellan on a warship to survey Samana Bay. Cazneau managed to get a treaty leasing Samana Peninsula and Bay to this country, but due to the activities of the consular officials of England and France, the Dominican Congress refused to ratify it. He did return to Washington with a commercial treaty, but that was not what the Department of State wanted.

In 1861 there came an interlude. Santana, President at the time, prevailed upon Isabella II to accept the protectorate. The government in power in Spain at that time agreed to do so, provided a plebiscite showed that all the Dominicans were in favor of it. Santana managed a unanimous expression of assent. The United States protested against this violation of the Monroe Doctrine, but busy with the Civil War, it could not follow up the protest. Another outbreak of the Haitian invasion had reduced the Dominicans to apathy, but where opinion did exist it was strongly for independence. After several years the Spanish protectorate came to an end and Baez again became President.

At about this time the economic penetration into the Republic began. In 1862, Cazneau severed his connections with the government of this country in order to undertake the commercial exploitation of the Republic. He founded the American West India Company, the first of a long series of commercial companies which contributed nothing to the domestic wealth of the country and in the end crippled its government. The Company, capitalized at \$1,000,000, had little capital other than the wealth represented in the grants of land which Cazneau had obtained from President Baez as a concession. The scheme was sold to credulous people in New England and elsewhere who hoped to find fortune in the soil and mines of Santo Domingo. Partners with Cazneau were Fabens and Spofford, names covered with odium. The American West India Company soon became bankrupt, and was reorganized as another land project under the name of the Santo Domingo Cotton Company. As a side line, Fabens was negotiating with the government to make a complete survey of the country, his recompense

to be one-fifth of all lands surveyed, the fifth to be chosen by himself. These men were all stockholders in the Dominican National Bank, as well as in a steamship line which carried all the trade between this country and Santo Domingo and held a concession of five per cent of all duties on merchandise carried. Spofford was agent for the scandalous British Hartmont loan of 1869, which will be described later, and in connection with this loan he paid the expenses of Fabens, whom he sent as minister of the Dominican Republic to Washington. Mr. Fabens returned to the Dominican Republic as special accredited agent of the United States a year or two later. Such were the men who represented this country in Santo Domingo, not under one administration, but under several.<sup>3</sup>

After the close of the Civil War, the United States government was able to turn its attention again to the Dominican Republic. As a first step, Secretary of State Seward initiated a second series of negotiations to obtain possession or control of the Samana Peninsula and Bay. As the latter was the direct passage to the Panama Canal from the north, it had been of interest to Washington since the first stirrings of our interest in an interoceanic canal. The Dominican Republic had just asked this country for a loan of \$1,000,000. Mr. Seward sent as emissaries a Rear Admiral of the Navy and his own son; their instructions were to obtain, in return for the loan, the cession, if possible, or, if not, a ninety-nine year lease of Samana, "with right to fortify, garrison, and protect the leased country with such forces as the United States deemed sufficient." It looked for a while as if Baez would give us the lease or even cede the territory. Dominican protests flooded the State Department in Washington. A new Dominican constitution made it treason for any man to alienate any part of the Republic's domain. Seward's heart was in the project, but even if he had been able to gain this point in Santo Domingo, the United States Senate, hostile as it was to President Johnson, would not have ratified the treaty. Baez had to wait for Grant.

The story of the Reconstruction Era is familiar to all, and the scandal connected with Dominican affairs was but one among many. President Grant continued negotiations with Baez. He

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<sup>3</sup> 41st Congress, 2nd sess. Senate Report No. 234, Washington, 1870.

sent General Orville E. Babcock to negotiate a treaty. A commercial agent had reported that all sections of the country and all classes of Dominicans were in favor of annexation. A plebiscite, which must have made the previous one on the Spanish protectorate look like a real expression of opinion, was held, while seven American warships, "moral support for President Baez," lay at anchor in the harbor of the capital. General Babcock, on his own initiative signed a protocol which he promised Baez would be hurried through the United States Senate at the request of Grant. The State Department, using Babcock's protocol as a basis, sent back two treaties, one for annexation, and the other for a fifty year lease of Samana Peninsula and Bay at an annual rental of \$150,000. The first payment was made at once, and, in case the annexation passed, this sum was to be subtracted from the price of \$1,500,000 which was set as the sum to be paid in return for their sovereignty. When it became clear to Grant that the United States was no more behind him than the Dominican Republic was behind Baez, and that the Senate would not entertain even the proposal of the lease, he sent a commission in the hope that its report would make it possible to get either annexation or the lease through Congress by a joint resolution. The entire country was aroused. *The New York World* of November 22, 1870, stated that the land of Samana Peninsula was marked off in plots bearing the names of Cazneau, Babcock, Grant, and Secretary of State Hamilton Fish. *The New York Sun* published a letter pointing out that England was enthusiastic about annexation, hoping thereby to secure her loans and, at the same time, consolidate the entire number of Latin American republics against their northern neighbor. Annexation was dead before it reached the Senate.<sup>4</sup>

President Baez, defeated in Washington, turned to financial circles. In 1873 he gave a charter to the Samana Bay Company, a company composed of the same group of New York financiers that had financed the various schemes of Cazneau and Fabens. The charter granted a monopoly for ninety-nine

<sup>4</sup> 41st Congress, 3d sess. Senate Ex. Doc. No. 34, Washington, 1871. Also speeches of Charles Sumner in Senate, December 21, 1870; March 27, 1871, and of Carl Schurz, January 11, and March 28 and 29, 1871, reported in Debates of Congress.

years for an annual rental of \$150,000. Thus Baez sold his country's integrity to a group of speculators, and saddled upon it a supergovernment of which it is not rid yet, and which was a primary cause of the financial difficulties which led to the military occupation in 1916.

In 1874 Baez resigned, and during the next eight years, one President followed another in such rapid succession that the country was practically without a foreign policy for these years. In 1882 Ulises Heureaux was regularly elected President and for seventeen years, barring interruptions of several short periods, he ruled with the powers of dictator, gained for himself by bribery and cruelty. He nipped revolutions by exiling or shooting the leaders. The debts he contracted to pay, the price of remaining in power and of preserving the frontier against an ever predatory Haiti, left the country bankrupt. He was murdered July 25, 1899.

The history of Santo Domingo in the nineteenth century, as we have seen from this brief survey, was punctuated by warfare with Haiti, by indecision as to the wisdom of maintaining a republican form of government, by political disturbances and civil rebellion. To these destructive forces within may be added its fluctuating and poorly guided foreign policy in relation to the United States. Our policy, in turn, was marred by our desire to obtain a lease of Samana Bay, by the willingness of some of our Presidents to listen to suggestions of annexation, by what was generally an unhappy choice of emissaries, and, finally, by the selfish interest of some of these agents in gaining a financial foothold on the island. But in spite of all these obstacles, had the Dominican Republic been able to keep out of debt, it would, without doubt, have been left to work out its own destiny without interference by any foreign power.

The financial difficulties of the Republic began at its birth. The currency for the eighteen years of Haitian rule had been Haitian. When a new currency was needed, there was no gold or silver available. Thus, fiat or paper money was issued August, 1844, and from then on to the end of President Santana's administration, in 1856, there were six issues of from \$150,000 to \$1,000,000; much of it depreciated to almost nothing. President Baez, within the two following years, increased the currency of worthless paper by \$40,000,000. In 1860 a silver

dollar in United States money could buy 3,000 Dominican dollars. This dizzy issuance of new paper money, with the usual retirement of some of the previous issues, continued sometimes regularly, sometimes at intervals up to the time when the United States took financial control in 1905. Foreign currencies were also allowed, and sometimes a currency repudiated in its own nation found acceptance in Santo Domingo. Consolidation of various domestic issues and the conversion of public debt into new loans forced the Government to borrow both at home and abroad. Domestic loans were usually of small amounts but the interest was correspondingly high.

The first foreign loan to the Republic was made under Baez in 1869. It was issued by Hartmont and Company, of London, to the amount of £420,000, the Republic to get £320,000, and the bank £100,000, a commission of almost 25 per cent. The whole loan was a swindle. Hartmont and Company was paying interest to bond holders out of the principal in order to quicken the sale of bonds. The already notorious Spofford was agent, a fact that should have been a warning. In the end the Dominican Government received about \$190,000, for which they were asked to pay back nearly \$4,000,000. It was repudiated by the Dominican Congress within a year for non-fulfillment of terms, and a debt of \$190,000 received was acknowledged by the Republic. For the next twenty years the floating debt of the country was increased by claims, revolutionary activities, etc. In 1888 most of the Hartmont bonds were exchanged for those of a new loan, issued by Westendorp and Company of Amsterdam, Holland. The issue of 1888 was for £770,000 at six per cent. A Commission of Permanent Control was set up in Santo Domingo to collect customs. A second loan of £900,000 was made by the same company two years later for the construction of a railway from Puerta Plata in the north to Santiago de los Caballeros, a distance of about 40 miles. The loans, contracted for by Heureaux, went into default in 1892. Westendorp and Company was ruined. There was a rumor that it was trying to sell its bonds and the right to collect the customs duties to the United States government through the agency of a private corporation. The *New York Herald* published this statement, and the Presidents of both countries received a storm of protests.



The United States, at this time, had no desire to take over the custom-houses of the Dominican Republic, but a group of financiers, incorporated under New Jersey laws, formed a corporation, the celebrated San Domingo Improvement Company,<sup>5</sup> to take over the Westendorp interests. President Heureaux gave the American financiers a monopoly of financial transactions. He floated a new unified loan of £2,035,000 in 1895. Other issues followed in the next few years, secured by customs receipts. The Improvement Company was given control of the custom-houses under an agreement by which these paid to the government the sum of \$160,000 a month and reserved the rest for payment on the national debt which the company had assumed. However, so many Dominican merchants held grants of exemption from duties on imports, in repayment for cash advances to Heureaux, that the amount of revenue that could be spared after current government expenses were paid was insufficient to meet interest, let alone amortization. The whole defaulted in 1899. Sentiment against the Improvement Company, and, in consequence, against the United States was very hostile. The Dominicans claimed that the customs were mismanaged by the Company and that thus its contract was void. They wanted the concession canceled, and the company to withdraw from the nation.

The death of Heureaux was followed by a liberal reaction under the control of two parties: the Horacistas, named for their leader, Horacio Vasquez, and the Jimenistas, named for Manuel Jimenez. The latter was elected President in the expectation that he would terminate the connection of the Improvement Company with the government. It had been operating over eight years and had aroused a bitter hatred among all classes of Dominicans. Patriotism which resented the alien in its counting rooms accounts for some of this hatred, but not for all of it. The Westendorp control had accustomed the Republic to this. The Improvement Company had a death grip on all the economic life of the nation, and under Heureaux's poor government it had encroached upon private as well as upon

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<sup>5</sup> Knight, Melvin M. *The Americans in Santo Domingo*, Chap. III. New York, 1928. Welles, Sumner. *Naboth's Vineyard*, 2 vols., Chap. IX. New York, 1928. *Foreign Relations*, 1905, pp. 344-349.

public business. Through its help, Heureaux had been able to increase the bonded indebtedness of the nation tenfold, and this, with the issue of fiat money, had brought the country to bankruptcy; all this was to the popular mind as much the fault of the Improvement Company as of Heureaux. It linked itself with President Grant's indiscretions and deepened the anti-Americanism that rankled in the minds of the educated classes. Unfortunately, the Republic could not arrange security for the investment of the company, and thus the problem of terminating its connection with the government was not easy to solve. Either because of this obstacle, or from self-interest, Jimenez failed to realize the people's mandate. Instead of it, he sponsored a three year contract effective April 1, 1900, the terms of which were as follows:

The custom revenues up to the amount of \$2,000,000—excepting the export duties set aside by government decree for the conversion of the paper money issued by the National Bank—should be divided according to the following schedule:

- 49% for budgetary requirements of the government,
- 3% for salaries of officials managing the customs,
- 5% for the outstanding obligations of the government,
- 43% for the payment of interest and amortization of outstanding bonds of national debt.

This contract, however, was to hold only if all partners to the national debt, that is to say European credit nations, were willing to have the Improvement Company act as their agent. Belgium, a heavy creditor, refused authorization and, therefore, the contract was not put into effect. The people were opposed to the plan which Jimenez had projected and pleased when it failed. They were intent upon terminating foreign interference in internal affairs. A bank failure precipitated a financial crisis, and made it imperative for the government to handle its own funds. In June, 1901, therefore, the Improvement Company was excluded from the custom-houses and the Dominican government reinstated the officials of the treasury and determined upon the following distribution of receipts:

All custom receipts, except export taxes, to be divided:

- 54% to budgetary requirements of the government,
- 46% to be assigned for distribution to a "council of honorables" composed of the representatives of Belgium, Holland and the United States plus two unofficial members chosen by the Dominican President.

The Improvement Company appealed for protection of its interests of the United States government. The latter refused to intervene, but it received a representative of the Dominican government who was sent to Washington to arrive at some sort of satisfactory settlement.

An agreement was finally reached by which the Dominican government should purchase all interests of the Improvement Company, and should deal individually with European creditor nations.<sup>6</sup> The claims of the Company were allowed at \$4,500,000 and machinery was set in motion to terminate all connection between the government and the Company.

The internal politics of the Dominican Republic had, meanwhile, reverted to a chaotic state. It seems tragic to one who reads the story of the early years of the twentieth century that mutual jealousies and rivalry should have so divided the allegiance of the Dominican people as to obstruct action by all of them for the good of their country in an hour of need. One can judge from the opposition that existed against the Improvement Company, how little they wanted dictation, however helpful, from the United States, yet it is unquestionably true that they opened an easy way to exploitation.

Jimenez was negotiating during the winter of 1901 for a treaty of commercial reciprocity with the United States. The rumor of negotiation and the presence of the *U. S. S. Dolphin* in the harbor of Samana gave rise to popular apprehension that Jimenez was planning to sell the Samana Peninsula. The Horacistas fanned a country-wide agitation against any treaty between Washington and Santo Domingo, and an uprising re-

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<sup>6</sup> Knight, Melvin M., *op cit.*, Chap. III, and Welles, Sumner, *op. cit.*, pp. 585, 586.

sulted that ousted Jimenez and elected Vasquez as Provisional President.

The short administration of Vasquez is notable for two policies. He terminated the arrangement between the Improvement Company and the Republic and he undertook the retrenchment of expenditures so that the annual income would cover them. The revenue was approximately \$1,900,000 and Vasquez planned a budget of \$1,700,000. The people rejoiced, but the politicians would not support the Provisional President in the experiment. There was literally not one cent in the treasury and the nation had no credit. Vasquez held an election and General A. Woss y Gil was made President, August 1, 1903. The financial condition grew steadily worse. The new President had no solution for the problem. The treasury collected the customs duties, but so heavily mortgaged were they by foreign governments and foreign claimants, and so many were the exemptions from payment granted to Dominican merchants who had backed previous revolutions and dictators, that the revenue from the customs was diminishing annually. Without such retrenchment as Vasquez advocated, there was no hope of meeting the obligations of the nation. It defaulted \$600,000 of interest on French and Belgian bonds, and Belgium was pressing for an international commission for the collection and distribution of customs duties. Spain, Germany and Italy wanted payment on various claims of their nationals against the Dominican government, while the United States had claims of \$10,000,000 in addition to the \$4,500,000 awarded to the Improvement Company. Woss y Gil was removed by a revolution a year after his election.

General Carlos Morales became Provisional President and in June, 1904, was regularly elected. Morales wanted the United States to enter into a fifty year treaty by which it would control financial arrangements with European nations, collecting customs duties as required, first in Puerto Plata, and then in other northern ports. Leases of Samana and Manzanillo Bays were included in the treaty. Morales' proposal was tantamount to a protectorate, and it was his own suggestion. However, the country was not behind Morales. The country was as violently anti-American as it was possible to be. Moreover, European creditor nations protested to Washington that

this arrangement would be an infringement of their rights. Before President Roosevelt answered these protests he sent Judge Abbott, Vice-President of the Improvement Company, to Santo Domingo as Financial Agent for the United States, with authorization from President Morales to install himself as revenue collector in Puerto Plata. The nation resented this reestablishment of a foreigner in its customs service, but a force stronger than any with which the Republic had hitherto dealt was gathering in the United States and was soon to sweep aside their opposition.

The notion that the United States was destined to play the rôle of a great republican empire had been growing since before the Spanish American War. We had acquired Hawaii, Puerto Rico, the Philippines. The Canal was almost an accomplished fact. Bryan had declared the "burning issue" of 1900 to be imperialism, and now President Roosevelt, whose heart for years had been in the Caribbean, picked up the English poet's phrase of the white man's burden—the burden that India was to England. In his message to Congress, February 15, 1905, President Roosevelt enunciated his corollary to the Monroe Doctrine—a platform that has influenced the turn of events in both Americas ever since. Its chief points are as follows:

"We do not propose to take any part of Santo Domingo or exercise any control over the Island save what is necessary to its financial rehabilitation in connection with the collection of revenue. The justification for the United States taking this burden and incurring this responsibility is to be found in the fact that it is incompatible with international equity for the United States to refuse to allow other Powers to take the only means at their disposal of satisfying the claims of their creditors, and yet to refuse, itself, to take any steps.

"An aggrieved nation can, without interference with the Monroe Doctrine, take what action it sees fit in the adjustment of its disputes with American States, provided that action does not take the shape of interference with their forms of government or of the despoilment of their territory under any disguise. But, short of this, when the question is one of money claims the only way which remains, finally, to collect it is a blockade or bombardment, or the seizure of the custom-houses, and this means what is, in fact, a possession, even though only a tem-

porary possession, of territory. The United States then becomes a party in interest because, under the Monroe Doctrine, it cannot see any European Power seize or permanently occupy the territory of one of these republics; and yet such seizure, disguised or undisguised, may eventually afford the only way in which the Power in question can collect any debts, unless there is interference on the part of the United States."

In accordance with this interpretation of the Monroe Doctrine and with a sincere desire to satisfy European creditors, Secretary of State Hay wrote to Mr. Dawson, Minister to the Dominican Republic, directing him to "sound the President of the Dominican Republic discreetly but earnestly . . . to ascertain whether the government would be disposed to request the United States to take charge of the collection of duties and effect an equitable distribution of the assigned quotas among the Dominican government and the several claimants."<sup>7</sup> President Morales agreed that he was disposed "to request the United States to take charge of all customs." But the Dominican Cabinet was not so disposed. The three most influential men in the country, Vasquez, Ramon Caceres and Federico Velasquez, were against American intervention. Velasquez was willing to submit to a joint collection by their government and ours, but not to an American receivership. The United States Department of State sent Commander Dillingham of the Navy to help Mr. Dawson draft a protocol that would be acceptable to the Department and to the U. S. Senate. Mr. Roosevelt felt that the protocol was the "practical test of the efficiency of this nation in maintaining the Monroe Doctrine." Commander Dillingham was instructed to talk with the leaders of political factions, and to assure them that the United States was actuated solely by a desire to ameliorate conditions. In his dispatches to Secretary Hay, the Commander reported that Morales felt that delay was dangerous, as not even his own party, the Horacistas, were in favor of the protocol, and the uneasiness of the people was fast rising to a height that might prove dangerous.

In less than three weeks, the protocol<sup>8</sup> was drafted, and

<sup>7</sup> *Foreign Relations*, 1905, p. 298.

<sup>8</sup> *Foreign Relations*, 1905, pp. 342, 343. Also Texts of Treaties in Welles, vol. II, Appendix I.

signed by the Dominican President, February 7, 1905. Its principal clauses were as follows:

The United States government agrees to undertake the adjustment of all the obligations of the Dominican government, foreign as well as domestic; the adjustment of the payments and of the conditions of amortization; the reconsideration of conflicting and unreasonable claims, and the determination of the validity and amount of all pending claims.

The United States government shall take charge of the existing custom-houses and those which may hereafter be created, the employees necessary for their management, and shall collect and take charge of all customhouse receipts.

Any reform of the system of duties and taxes shall be made in agreement with the American government.

The dispatches<sup>9</sup> to the State Department reflect tension. It was suggested that warships be sent not because any great opposition or uprising was anticipated, but because the presence of force was advisable for its moral effect. The Dominican Cabinet insisted that the phrase "guaranteeing the complete integrity of the Dominican Republic" be inserted in the preamble. Even with this precaution, they were very nearly convinced that Roosevelt's move meant annexation. President Morales was anxious to present the protocol as an accomplished fact to his own Congress, so that the nationalists would have "the alternative of undertaking a hopeless fight for which they had no chance to prepare themselves or of submitting without resistance." The U. S. Senate, however, adjourned March 18, 1905, without taking any action on the protocol.

It now became necessary, since the Dominican government could borrow no funds while the protocol was pending, to work out a temporary arrangement whereby the government could meet its expenses during further negotiations. Mr. Dawson suggested to President Morales that he ask the government of the United States to find someone to take charge of the customs receivership. Colonel George R. Colton, who had had experi-

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<sup>9</sup> *Ibid.*, pp. 357-385.

ence in Philippine custom-houses was appointed chief collector, and President Morales issued a decree setting up a *modus vivendi* receivership April 1st. This *modus vivendi* was labelled, "a temporary arrangement devised and requested by the Dominican Republic." Roosevelt had to guard against its being considered a treaty in operation without consent of the Senate. As it was, the Senate considered the *modus vivendi* unconstitutional and the President as overstepping the bounds of propriety and stretching in an unwarranted manner his privileges under the Constitution. Roosevelt pointed out that the Constitution had not expressly forbidden him such action, and he asserted some years later that he would have continued the *modus vivendi* until the end of his term, if necessary, without any action by Congress. Jacob H. Hollander was sent, under this agreement, to report on the financial situation of the Republic and to scale the national debt down to a just point. Hollander scaled some debts down to as low as 10 per cent of their claim, while he reduced all of them at least to 90 per cent. Foreign claims of \$21,407,000 were allowed at \$12,407,000; internal debts of \$2,028,258 were adjusted at about \$645,827, which with odds and ends set the debt at about \$17,000,000. The Dominican government took the onus of announcing to creditors the amount that had been determined upon as their due.

This *modus vivendi* could not continue in force indefinitely. An average of eleven United States war vessels was maintained in Dominican waters. Roosevelt knew that he must do something soon. After conferences with Dominican special envoys, he presented to the United States Senate in February, 1907, a modified Convention<sup>10</sup> by which the United States would not itself determine or pay Dominican debts, but would, rather, administer the customs for the service of a new loan. Several other changes for the 1905 proposals were made. Having obtained ratification by the legislative bodies of both countries, it was proclaimed July 25, 1907.

This Convention was the basis for the action of the United States in respect to the Dominican Republic from 1907 to the evacuation of the Republic by United States Marines in 1924. Its main provisions are the following:

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<sup>10</sup> *Foreign Relations*, 1907, pp. 307-310, and Welles as in Note 8.



The President of the United States shall appoint a general receiver of Dominican customs who shall collect all customs duties until the payment or retirement of all bonds issued by the Dominican government.

The Dominican government will give the receiver general and his assistants all needful aid and assistance and full protection to the extent of its powers; the government of the United States will give such protection as it may find to be requisite for the performance of their duties.

Until the Dominican Republic has paid the whole amount of the bonds of its debts, its public debt shall not be increased except by previous agreement between the Dominican government and the United States. A like agreement shall be necessary to modify import duties.

From 1907 until 1911, things went along smoothly enough. The country was paying the debts which former Presidents had saddled upon it, but the people were not prospering, and they were neither happy nor content. In 1909, a reformed tariff, dictated largely from Washington, went into effect. Two years later the Dominican government decreed changes in this tariff law, and because revenue was increased rather than decreased by the change, the Dominican Congress did not consult the United States. Immediately the State Department in Washington sent a protest; the changes were revoked by the Dominican Congress, but many of the leaders considered that the sovereignty of the nation was impaired.

Meanwhile political conditions had again become chaotic. One President had been assassinated and his successor, Eladio Victoria, elected President in 1912, in less than a year exhausted the treasury and added, without previous agreement with the United States, a debt of \$1,500,000 in an effort to quell revolutions. The State Department considered that these conditions gave the United States the right to act under the Convention of 1907, and in accordance with the advice of the newly ap-

pointed minister, William W. Russell, the custom-houses of the interior were occupied.<sup>11</sup>

President Taft sent two commissioners, Brigadier General Frank McIntyre, of the Bureau of Insular Affairs of the War Department, and Mr. William T. S. Doyle, chief of the Latin American Division of the State Department, to investigate conditions and suggest a remedy. The advice offered by the commission was tantamount to an ultimatum, and resulted in the resignation of President Victoria and the election as Provisional President, Archbishop Nouel, who resigned shortly. General Jose Bordas was then chosen Provisional President. As his appointment satisfied neither the Horacistas nor the Jimenistas, insurrection broke out in various parts of the country.

Such was the state of affairs when Woodrow Wilson became President in 1913. In October of that year at the Southern Commercial Congress meeting in Mobile, the new President enunciated the following policy<sup>12</sup> in reference to Hispanic American republics:

"We must prove ourselves their friends and champions, upon terms of equality and honor. . . . We must show ourselves friends by understanding their interest whether it squares with our interest or not."

It seems that President Wilson should have foreseen the difficulty of living up to this policy when Secretary Bryan appointed to Latin American posts "deserving Democrats" of whatever ability or training. James Mark Sullivan became Minister to the Dominican Republic in reward for services rendered to the Party. With poor qualifications for his new position, he arrived in Santo Domingo at a time filled with revolution and financial problems. Moreover, President Wilson intimated<sup>13</sup> to Santo Domingo that *de facto* governments would not be recognized, and that there must be no more revolutions. Without recognition, no Dominican government would receive funds from the American collector of customs with which to carry on the government. The Dominican Congress, upon receiving Mr. Wilson's message, questioned his right even

<sup>11</sup> *Foreign Relations*, 1912, pp. 366 ff.

<sup>12</sup> Address published by the World Peace Foundation, Boston, 1913.

<sup>13</sup> *Foreign Relations*, 1913, pp. 425, 426.

to make a suggestion as to what government would be acceptable to him. Excitement prevailed throughout the Republic.

An election for members of a Constitutional Convention was scheduled for December, 1913. As all the machinery of government was in the hands of Provisional President Bordas, it was going to be difficult to achieve a fair election. Mr. Sullivan recommended a non-interfering scrutiny by American agents and the moral support of war vessels in order to prevent manipulation at the polls. Provisional President Bordas interpreted such supervision as intervention and control, and issued the warning that such a supervisory commission would be given no official recognition. The Dominican Minister at Washington protested against such interference as unnecessary, unwarranted by the Convention, an infringement of Dominican sovereignty, and an infraction of international law. The protest unheeded, Secretary Bryan dispatched three official observers from the Department, and thirty assistants from Puerto Rico.

The United States, under Wilson, thus inaugurated a quasi-protectorate. It was the first step that led to military occupation. The next step was a move toward complete financial control. Unstable governments were making havoc of the budgetary arrangements of the Convention of 1907. Costly political disorder accompanied the struggle for power among leaders who could not command a majority in the Dominican Congress or win at a general election. Between 1913 and 1916 four Presidents held office, all of whom except Jimenez were Provisional Presidents. Adding to the confusion, an insurrection directed by General Arias, whose presidential ambitions were not to be realized, broke out at intervals from 1914 to 1916. The salaries in arrears of officials and army, claims against the government for damages, waste entailed by constant changes in government, plus an indebtedness that had been growing steadily since 1908 brought the amount of national debt assumed without agreement with the United States government up to over a million dollars. Bordas, practically without funds, asked Washington in the early part of 1914 for a new loan. The State Department instructed Minister Sullivan to say that no increase of revenue could be considered unless the Dominican Governments accepted a financial expert who would exercise all the powers and rights that usually attach

to the office of comptroller. The expert was installed in June as an attaché of the Receivership, but the Dominican Congress took no official cognizance of him.

When Bordas held elections at the end of his term as Provisional President these were interrupted by clashes between the armed forces of the candidates to such an extent that President Wilson sent a commission from Washington to assemble the leaders of all factions and induce agreement upon a candidate. Excerpts from President Wilson's proposal<sup>14</sup> are as follows:

I. The government of the United States warns everyone concerned that it is absolutely imperative that the present hostilities should cease.

II. The government of the United States very solemnly advises all concerned with the public affairs of the Republic to adopt the following plan:

Let all those who have any pretensions to be chosen President of the Republic and who can make any sufficient show of exercising a recognized leadership, agree upon some reputable and representative men to act as Provisional President. If these candidates can agree in this matter, the government of the United States will recognize and support the man of their choice. If they cannot agree, the United States will itself name a Provisional President, sustain him in the assumption of office, and support him in the exercise of his temporary authority.

III. A regular and constitutional government having been set up, the government of the United States would feel at liberty thereafter to insist that revolutionary government cease. By no other course can the government of the United States fulfil its treaty obligations with Santo Domingo or its tacitly conceded obligations as the nearest friend of Santo Domingo in her relations with the rest of the world. On August 13, 1914, Secretary Bryan wrote to the commission that they should present the plan and see that it was

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<sup>14</sup> *Foreign Relations*, 1914, pp. 247, 248.

complied with. The leaders accepted the Wilson plan as an ultimatum, and at the election held Jimenez was elected President for a second time. He was inaugurated December 5, 1914.

Secretary Bryan wrote<sup>15</sup> almost immediately to Jimenez on the subject of the financial arrangement that had been accepted by Bordas. Charles M. Johnson had been appointed comptroller of the finances of the Dominican Republic to provide a budget, and to approve and countersign all payments made by the Dominican government. Secretary Bryan wanted official recognition of Johnson as comptroller in charge of the collection, under the Receivership, of both customs and internal revenue, and also he suggested that a constabulary be organized with the assistance of the United States government to replace the Dominican Army.

These measures were in themselves good or at least were directed to good and necessary ends, but the Dominican Congress did not consider them within the treaty obligations of the United States; the obligations "tacitly conceded to the United States as the nearest friend of Santo Domingo" they did not take into account. They refused to accept Secretary Bryan's plan and through a commission which they sent to Washington they protested that the duties of the comptroller would be in conflict with the Dominican constitution. President Wilson had Johnson's appointment as comptroller withdrawn, but Johnson himself was sent to Santo Domingo as an official of the Receivership General, while the functions of the latter broadened, giving him the right:

To advise the proper Dominican officials in the settlement of all outstanding indebtedness.

To make to the Dominican government suggestions of equitable means of increasing the public revenues and of so adjusting the public disbursements thereto that deficits may be avoided.

To inquire into the validity of all claims presented against the Dominican government.

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<sup>15</sup> *Foreign Relations*, 1914, pp. 260, 261.

In June 1915, Secretary Lansing succeeded Bryan and in September William W. Russell became Minister to the Dominican Republic, succeeding Sullivan, who had been permitted to resign. The policy of the United States toward Santo Domingo, however, remained unchanged. In November the new minister presented a formal note<sup>16</sup> to the Dominican government, which read in part:

"My government has decided that the American-Dominican Convention of 1907 gives it the right:

A. To compel the observance of Article III by insisting upon the immediate appointment of a financial advisor—who shall render effective the clauses of the Convention of 1907 by aiding the proper officials of the Dominican government in the adjudication and settlement of all its outstanding indebtedness; devise and inaugurate an adequate system of public accountability; investigate proper means of increasing the public revenues and of so adjusting the public disbursements thereto that deficits may be avoided; inquire into the validity of any and all claims which may be presented against the Dominican government; countersign all checks, drafts, warrants or orders for the payment of Dominican funds to third parties; enlighten both governments with reference to any eventual debt and to determine if such debt is or is not in conformity with the Convention of 1907; compose whatever differences may arise between the receivership and the Department of Treasury and Commerce, in which matters not requiring the intervention of both governments are involved; assist the proper officials of the Dominican government in the preparation of the annual budget and aid them in correlating the governmental expenditures thereto; recommend improved methods of obtaining and applying the revenues and make such other recommendations to the minister of finance as may be deemed necessary for the welfare of the Dominican Republic: provided, that the authority of the general receiver as described in Article I of the Convention of 1907 to collect and apply the customs revenues shall in no way be affected by this interpretation.

B. To provide for the free course of the customs and prevent factional strife and disturbances by the creation of a con-

<sup>16</sup> *Foreign Relations*, 1915, pp. 333-337.

stabulary—commanded by an American—to have supervision and control of the armies and ammunition, military supplies and traffic therein, throughout the country.”

When rumors of the contents of Minister Russell's note reached the people, anti-American feeling ran high, patriotic meetings were held and societies formed “for the purpose of exciting the people to prepare themselves against the foreign invader.” The government sent the following note to President Wilson:

“The Dominican government does not acquiesce in the suggestion of Your Excellency to secure the reestablishment of the offices of financial expert . . . even though his work should be advantageous, for his presence would constitute a permanent element of intranquillity and annoyance for the Dominican people who have unanimously expressed themselves as opposed to such an official. Any aid should assume a form devoid of everything which might wound a national sentiment jealous of its sovereignty.

“In regard to the transformation of the public forces into a civil guard organized and commanded by American officials—there is the same objection as in the matter of the financial expert. That which is sought for is not a peace obligated by force, which is always precarious, but a moral peace resulting from tranquillity of mind and a cessation of warlike acts, and a desire for financial welfare.”

The dilemma in which President Jimenez found himself encouraged General Arias to make another revolutionary attempt for the presidency. Secretary Lansing offered to furnish the forces necessary to suppress insurrection and to maintain order, if requested by President Jimenez. The latter refused to make the request. After weeks of struggle against the armed forces of Arias, and against attempts by the followers of Arias to impeach Arias “for violations of the Constitution” Jimenez resigned May 7, 1916. American Marines had been landed during the fighting of the week previous “for the protection of the American Legation, the Receivership General and the foreigners within the capital.” The Marines remained and supported an *ad interim* government of a Cabinet.

From May until November the Marines remained “for the purpose of supporting the constituted authorities and to put a

stop to revolutions."<sup>17</sup> During these months the American Minister conferred with the Cabinet as to possible candidates for Provisional President, and with various candidates, in hope of getting their promises to agree to the requirements of the United States government. Finally after deadlocks and difficulties Doctor Francisco Henriquez of Carvajal was elected by the Dominican Congress and inaugurated Provisional President July 31st. Confronted as he was, with the necessity of agreeing to requirements laid down by Minister Russell if the government was to receive funds for budgeting needs, President Henriquez endeavored to reach a compromise on financial control and on the establishment of the constabulary, the two measures the Dominican Congress would not accept as then formulated. The compromises suggested, not being acceptable to Secretary Lansing, were sent by him to President Wilson, expressing his opinion that "the only possible solution of this serious difficulty will be the proclamation of military occupation and the establishment of martial law in the Republic." He inclosed a copy of the proclamation which he recommended that Captain H. N. Knapp, U. S. N., who had just arrived in Dominican waters, be authorized to issue.

On November 29, 1916, Captain Knapp proclaimed<sup>18</sup> a military government and placed the Republic under martial law. The military government proposed to act in conjunction with the Dominican government, but upon the refusal of the latter to function, Captain Knapp became the Executive, assisted by a quasi-cabinet of other Navy officials. Executive orders by this temporary government supplanted Dominican law for the time being. The Military government was the only political authority in Santo Domingo for six years.

The first four years of the Occupation were years when capital was expanding and seeking investment in many places. The natural wealth of the island of Haiti had always attracted the foreigner and now, with the encouragement and security offered by the Military government, Americans with money to invest turned again to Santo Domingo. Much of the money was invested in timber lands and sugar plantations; the greater part

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<sup>17</sup> *Foreign Relations*, 1916, pp. 231, 232.

<sup>18</sup> *Foreign Relations*, 1916, pp. 246, 247.



of the total acreage of the country under development being by 1920 in American hands. There still is, however, a great deal of very good undeveloped land in the possession of the Dominicans themselves, and thus the nation is not economically handcuffed as is its island neighbor, Puerto Rico, where the economic situation is very much different. With constantly improving finances, the nation could soon reach a point where it will be able to develop its own resources, and by legislation and taxation make further encroachment by foreigners unprofitable.

In addition to sugar and timber, banking became predominantly American with the establishment in 1917 of the American Bank, a subsidiary of the National City Bank of New York, which has handled the Receivership account since that date, and which has acted as agent for many of the sugar and timber companies. Moreover, American merchants in the export trade found themselves in a somewhat favored position by the tariff act of 1919, though much of this advantage has been lost by the internal revenue acts passed by the Dominican Congress in 1925.

All this financial penetration was alarming, but it was the fear of the loss of their sovereignty, as one year became another and the Military government stayed on, that impelled Dominican leaders to appeal to their sister republics for help to terminate the Occupation. Diplomatic representatives of other Hispanic American nations presented petitions to Washington, urging the President to act in behalf of the Dominicans. In 1920 Mr. Harding in his campaign speeches promised to reinstate the Dominican government, and the following year the "Harding Plan" was formulated. It provided for the withdrawal of the Marines following an election of a Constitutional government. The Plan was rejected on the grounds that the United States forces should be withdrawn first in order that the Dominicans might conduct their own elections. The 67th United States Congress appointed a Select Committee on Haiti and Santo Domingo<sup>19</sup> to go to the island and study conditions

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<sup>19</sup> *Hearings Before a Select Committee on Haiti and Santo Domingo*. U. S. Senate, 2 vols., Sen. Res. 112, 67th Congress, 1st and 2nd Sess., 1921-1922, Washington, 1922.

first hand. After further negotiations between the two governments, Mr. Sumner Welles was sent as Commissioner, with rank of Envoy Extraordinary and Minister Plenipotentiary, to find an acceptable compromise. Under his guidance a Provisional President and then a Constitutional President assumed charge, and the Occupation came to an end late in 1922. The last of the Marines were withdrawn in November, 1924, and the Dominican government again set up its own forms of government.

The American Receivership of Customs, however, was not closed. It still continues, in accordance with a Convention of 1924, which superseded that of 1907, and which, like the earlier one, provides for the handling of the customs, but not of internal revenue. This Convention of 1924 has been extended and modified several times since that date to meet changing conditions in the finances of the nation. While the Receivership is directed from Washington, its personnel is now almost entirely Dominican. It is hoped, both in the Dominican Republic and in the United States, that the day is not far distant when the interest of the latter country in the former will no longer be that of a supervisor, but merely that of a friendly neighbor.

Two points remain to be considered before concluding this report: First, the contention of the Dominicans that the United States was violating international law when it imposed the military government on their country, and, second, the accomplishments of the military government.

The Proclamation of Occupation read: "This military occupation is designed to give aid to the Dominican Republic in returning to a condition of internal order that will enable it to observe the terms of the treaty." The Dominican Council of Ministers in a protest to the State Department in Washington, in 1916, and the Dominican leaders who testified before the Select Committee of the U. S. Senate, in 1921, called our action intervention, declared it a violation of international law, and further asserted that no pretext existed to excuse it since "there was a constitutional government in the Dominican Republic in 1916, no revolution, and no danger to lives or property."<sup>20</sup> In-

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<sup>20</sup> See Note 19.

ternational law recognizes the right of one nation to intervene in the affairs of another only in case of continued anarchy in a state that is, for the time being, unable to maintain a tolerably competent government. It is easier to see that there was reason behind both views than it is, with our present knowledge of underlying causes, to pronounce upon them. As disturbed politically as the Dominican Republic was, it could not be said to be in a state of anarchy while a constitutional government existed, and that little or no danger had come to persons or property in similar periods of so-called revolution, Dominicans testified before the U. S. Senate Committee. On the other hand the indebtedness of the Dominican Republic had been increased<sup>21</sup> between 1908 and 1916 without agreement with the government of the United States, in violation of Article III of the Convention; thus our intercession in Dominican affairs was based on treaty rights and therefore, technically not intervention nor in disregard of the sovereignty of the Dominican Republic. The Dominicans argued that this indebtedness consisted of debts and claims that were not part of the "public debt" specified in Article III, *i. e.*, the nation had not contracted them voluntarily, rather, they had resulted from claims against the government, from extraordinary circumstances such as public disorders and from the failure of income to reach justifiable expectations. Moreover, this indebtedness in question was not suddenly incurred, but had been growing over a period of eight years with only an occasional protest from the United States government. The monthly payment on the old debt was being met regularly by the customs receipts, and when the Dominican Congress refused to vote control of the internal revenue in addition to the customs, at the request of Secretary of State Lansing, it did so in the belief that such control was not provided for in the Convention. When, therefore, the Marines landed in May 1916, and the Occupation was proclaimed in November, they felt, according to the testimony referred to above, that it was not treaty obligations but the sovereignty of the nation that was at stake. The World War

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<sup>21</sup> These debts and claims, many of them invalid, amounted approximately to \$16,000,000. The Military Government scaled them down to \$4,292,343.52. (Report of Department of State of Finance and Commerce, 1916-1919, p. 16.)

was then at a critical point. Control of the Panama Canal was of paramount importance. In another six months the United States entered the War. How far war policy dictated the action of the State Department we do not know. The following paragraph from a report<sup>22</sup> made in 1921, by Professor Carl Kelsey, of the faculty of the University of Pennsylvania, to the American Academy of Political and Social Science, at the end of a three months sojourn in Santo Domingo, is interesting evidence on this question:

"Prominent Americans and Dominicans have told me that they believed that Washington knew of certain plans of Germany to use the island if opportunity offered and, inasmuch as we were not then at war, thought it better to forestall such a possibility. If this were the main reason it is difficult to understand why President Wilson waited until December 1920, before proposing to withdraw the troops. It may be that European countries urged our government to intervene. So I was told by one of the highest officials under Mr. Wilson. There is no evidence whatever that this action was due to any underhand or grasping motives. This the Dominicans admit for they, and I, believe it was done in good faith as a matter of necessity. Only the strongest arguments could have induced Mr. Wilson to order an occupation seemingly so contradictory to certain principles emphasized by him, and, admitting good faith, it is possible that the action was a grave mistake. Here, then, is the fundamental question which makes all the problems of actual administration of our trust insignificant but upon which we must suspend judgment until all the facts are known."

As Professor Kelsey says in this quotation the fundamental question is whether the Occupation was not in itself a grave error, and with this question the accomplishments of the Military government have nothing to do. They are, however, of general interest as part of our policy and they have some bearing upon our present relationship. We shall attempt then a brief appraisal. The Military government labored under many

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<sup>22</sup> Kelsey, Carl, *The American Intervention in Haiti and the Dominican Republic*. American Academy of Political and Social Science, *Annals*, vol. 100, p. 178, Philadelphia, 1922. Reprinted in Hearings Before Select Committee. See Note 19.

disadvantages: lack of coöperation from the Dominican people, constant criticism, inexperience of the officers of the Navy with the sort of administrative task that confronted them, and, according to Professor Kelsey, lack of definite plan of action and divergence of objectives between the State Department and the Navy. Yet in spite of obstacles, the record of its achievements during its six years is commendable. According to its annual reports, it introduced order and efficiency in the system of accounting and method of purchase in the various governmental agencies; increased internal revenue; revised the tariff, and appointed a Commission of Claims to separate the valid from the spurious claims against the government. It disarmed the people and created a constabulary, thus putting an end to outbreaks and uprisings. It ordered a census, a geographical survey, introduced a property tax and forced the registration of land titles. The property tax was the first direct tax ever promulgated in Santo Domingo, and an official report in 1920 says that "the people in general paid their property tax very cheerfully"—no small achievement in itself. Four years later, however, this tax had dwindled to a small sum.<sup>23</sup> The prime purpose of the Military government in levying this tax was to force the registration of titles. The Spanish system recognized collective holdings and peso or money titles to fractions of unsplit property. Destruction of records in some places and faulty keeping of them in others resulted in the manufacture of fraudulent titles. The registration demanded by the new tax helped straighten out this situation. Roads had always been lacking and with the development of the land and the use of trucks and automobiles the need of them had grown acute. The Military government built 180 miles of main highway north and south across the island and some subsidiary roads and bridges. It also built a number of schools, and while there are no reliable figures for the increase of school population, it is believed to have been considerable, especially in the middle years of the Occupation. Later, for reasons of economy some of these schools had to be closed.

The public works program, the high cost of everything

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<sup>23</sup> Knight, *op. cit.*, Chap. IX.

during the World War, and the depression that began in 1920 made it imperative for the Military government to float a loan of \$6,698,485.51 in 1922, thus nearly doubling the bonded debt of the republic. The Dominicans were against this loan and laid it to maladministration. They were paying too high a price for material improvements and some of the reforms were of doubtful value in their eyes; the tax on property, for instance, which we have seen was yielding little by 1924, and the tariffs of 1919 which were modified in 1925 by a series of internal revenue acts.<sup>24</sup> They protested also against what they claimed was cruelty and miscarriage of justice in punishments inflicted upon the people by the Marines. Clashes between civilians and soldiers, even when the latter are native, are inevitable. Pages of testimony on such clashes appear in the report of the Select Committee of the U. S. Senate. They resulted naturally in increased hostility.

The most serious criticism of the Military government was that it failed to understand Dominican culture. Progress as interpreted by the machine age holds little or no interest for the Latin American and this progress was the ideal toward which the Military government was striving. The influence of the American capital that followed the Military government was toward the same end. Mr. Melvin M. Knight believes that "the real 'Yankee peril' is the process of economically North Americanizing the western hemisphere," due to the well-meaning desire of the Americans who follow the trade to impose their culture. He says<sup>25</sup> in part:

The only gospel of uplift and progress these people know is Americanization. They may not be conscious imperialists at all, but their idea of improving Santo Domingo and the Dominicans is to follow the model of Ohio or New Jersey. It does not seem credible that anybody could see American plows, tractors, trucks and steam cranes at work without realizing that they must be generally adopted as soon as possible. But the West Indies do not have the

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<sup>24</sup> Knight, *op. cit.*, pp. 103, 104 and 122-128.

<sup>25</sup> *Ibid.*, pp. 171, 172.

climate, people or social traditions of Ohio and New Jersey.

The greatest benefit of the Occupation—and this might almost be called a by-product—is the better understanding that each nation now has of the other. The difficulties and obstacles which the Military government had to face gave the State Department in Washington a clearer view of Dominican politics, resulting in a certain cordiality in the relations of the two countries under the Receivership during the last ten years. Moreover, by its ultimate withdrawal, the Military government convinced the Dominican people that the old bugbear of annexation was no more, while, at the same time, it made the whole Dominican people more jealous of their rights, which they felt had been violated short of annexation, and more watchful of American penetration. In the United States it was instrumental in bringing to the foreground the entire trail of problems attendant upon the Monroe Doctrine and in arousing intelligent interest in Hispanic America unprecedented in the history of popular thought. Though our people, on the whole, have rested content while financial interests grew fat invading other lands they have never countenanced state interference, and the present generation is not in favor of territorial expansion. This new interest of the people, now deepening and spreading, is a safeguard for Santo Domingo and, incidentally, is a healthy sign in our own national life.

To conclude: History shows that the Dominican Republic, because of its geographical position, has been closely associated, since its earliest days, with the United States. Our foreign policies in relation to the Caribbean and to Hispanic America have often found their first expression in Santo Domingo. So it was in the past century under Pierce, Johnson, and Grant, and in the present century under Theodore Roosevelt and since. For this reason our negotiations have been watched by all Hispanic America and the extent and depth of hostility aroused have often been out of all proportion to the matter involved. Our concern with the Panama Canal will not lessen, as far as one can see, and this fact makes it imperative that we work out some sort of coöperation that will safeguard our interests and respect those of the Dominican Republic. The

crisis that called forth Roosevelt's interpretation of the Monroe Doctrine and the situation that led to the Occupation grew out of national debt, which, by becoming unmanageable, threatened to involve European nations, in the first place, and, in the second, to lead to anarchy in a country that held a strategic position in the World War. Let us grant that it was for the benefit of all America that neither of these results should follow, was there no other course we could have pursued than the rather obsolete Monroe Doctrine?

The policy recommended<sup>26</sup> by the Latin American Committee of this Association as feasible is as follows: Mutual agreement among the American republics upon their mutual rights and duties, formulated in a code of law; creation of a Pan American Court to interpret the code; the determination of a method of inter-American sanction instead of sanction by the United States alone. A more recent report<sup>27</sup> considers that the era of corollaries to the Monroe Doctrine has been ended by the fact of membership of most of these republics in the League of Nations. Time alone will tell on which side of the ocean arbitration of future disputes arising between this country and Hispanic America will be settled, and as individuals and voters we shall probably have little or nothing to say as to the ultimate decision. What does lie within our power is the dissemination of the facts of our past and present relations with these countries and the exertion of political pressure in the interest of justice among nations and peace and good will among peoples. Recently a newspaper<sup>28</sup> in one of our large cities in an editorial on Puerto Rico wrote as follows:

So the independence idea is being fostered by a group of Puerto Ricans. Well, we have had the island for thirty-six years and it has been quite a bill of expense. We have fed them, housed them, clothed

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<sup>26</sup> *Latin America and the United States*, p. 52. The Catholic Association for International Peace, Washington, 1929.

<sup>27</sup> Gamble, Anna Dill, *The Monroe Doctrine and the League of Nations*. The Catholic Association for International Peace, Washington, 1935.

<sup>28</sup> *The Boston Traveler*, August 24, 1934.



them, given them schools, taught them sanitation. Recently when a San Juan newspaper conducted a poll on the independence issue more than 11,600 voted for independence and less than 4,400 for Statehood. The United States can survive separation. We have had our full experience with wards and our taxpayers are tired of frittering away money on ingrates. The Monroe Doctrine will safeguard our interests, if the island decides to cut loose.

It is to the eradication of such discouraging blindness to the point of view of our neighbors that the Latin American Committee of the Catholic Association for International Peace is dedicating its efforts.

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- See also *Brief Refutal of the Report of the Santo Domingo Commissioners*, signed by "Many Dominicans," New York, 1871.
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THE Catholic Association for International Peace has grown out of a series of meetings during 1926-1927. Following the Eucharistic Congress in Chicago in 1926, representatives of a dozen nations met with Americans for discussion. In October of the same year a meeting was held in Cleveland where a temporary organization called The Catholic Committee on International Relations was formed. The permanent name, The Catholic Association for International Peace, was adopted at a two-day Conference in Washington in 1927. Annual Conferences were held in the same city in 1928, 1929, 1930, 1933, 1934 and 1935; in New York City, 1931; and in Cleveland, 1932. All-day regional Conferences took place in Chicago on Armistice Day, 1930; in St. Louis on Washington's Birthday, 1932; at the University of Notre Dame, Notre Dame, Indiana, on November 19, 1933; at Marquette University, Milwaukee, Wisconsin, on November 25, 1934; and at Villanova College, Villanova, Pennsylvania, on May 25, 1935. A Student Conference was conducted at the College of Notre Dame of Maryland on February 9, 1935. It is a membership organization. Its objects and purposes are:

- To study, disseminate and apply the principles of natural law and Christian charity to international problems of the day;
  - To consider the moral and legal aspects of any action which may be proposed or advocated in the international sphere;
  - To examine and consider issues which bear upon international goodwill;
  - To encourage the formation of conferences, lectures and study circles;
  - To issue reports on questions of international importance;
  - To further, in coöperation with similar Catholic organizations in other countries, in accord with the teachings of the Church, the object and purposes of world peace and happiness.
- The ultimate purpose is to promote, in conformity with the mind of the Church, "the Peace of Christ in the Kingdom of Christ."

The Association works through the preparation of committee reports. Following careful preparation, these are discussed both publicly and privately in order to secure able revision and they are then published by the organization. Additional committees will be created from time to time. The Association solicits the membership and coöperation of Catholics of like mind. It is seeking especially the membership and coöperation of those whose experience and studies are such that they can take part in the preparation of committee reports.

The Committees on Ethics, Law and Organization, and Economic Relations serve as a guiding committee on the particular questions for all other committees. Questions involving moral judgments must be submitted to the Committee on Ethics.

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