The Role of Thomas C. Dawson in United States-Latin American Diplomatic Relations: 1897-1912

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CHICAGO, ILLINOIS

THE ROLE OF THOMAS C. DAWSON
IN UNITED STATES-LATIN AMERICAN
DIPLOMATIC RELATIONS: 1897-1912

A Dissertation Submitted To
The Faculty Of The History Department
In Partial Fulfillment Of The Requirements
For The Degree Of Doctor Of Philosophy

By

Glenn J. Kist

May 24, 1971
The purpose of this dissertation is to investigate the diplomatic career of Thomas Cleland Dawson in an attempt to ascertain what influence, if any, he had in shaping the Latin American policy of the United States during the Roosevelt and Taft Administrations. When Dawson entered the diplomatic service in 1897, at the age of 32, his appointment as secretary to the United States Legation in Brazil, came as the result of political patronage. However, what was probably considered originally to be a temporary position led to a distinguished diplomatic career. Following the Brazilian assignment, the posts that he held progressively grew in importance, until he was ultimately one of the chief advisers on Latin American affairs in the State Department. In addition to the secretaryship at the Legation in Brazil, his assignments included the following: Minister Resident and Consul-General in the Dominican Republic, 1904-1907; Minister to Colombia, 1907-1909; Minister to Chile, 1909; Chief of the Latin American Division and Resident Diplomatic Officer in the State Department, 1909-1910; Minister to Panama, 1910; Special Commissioner to Nicaragua, 1910; Peace Commissioner to Honduras, 1911; Ambassador to the Venezuelan Centennial celebration, 1911; and Resident Diplomatic Officer in the State Department, 1911-12.

There is no indication that Dawson significantly disagreed with the policies which Washington pursued during the years he was in the diplomatic service. Although his influence on the formulation of policy was confined largely to advising on certain specific aspects of implementation, rather than in devising new policies, he had a considerable impact on the Caribbean policy of the United States by skillfully negotiating the agreements implementing the policy of dollar diplomacy. Perhaps his most significant contribution was assisting in negotiating the establishment of the customs receivership in the Dominican Republic.
Both in his dealings with Latin Americans and in his two volume history of South America published in 1903-04, Dawson demonstrated a genuine liking and sympathy for the peoples of Hispanic America. While this favorable disposition might appear to be contradicted by his acceptance of the policies of the State Department and his role in implementing these policies, such a contradiction is more apparent than real. Dawson considered the extension of United States commerce and protection of legitimate financial investments of United States citizens as completely justified. Regarding interference in the affairs of the Caribbean area, he believed that political stability in the region was contingent upon the economic stability and prosperity of the various countries. Since this area was a special sphere of United States influence, Dawson concluded that it was the United States' place to offer a helping hand. Furthermore, United States interference in the region appeared to produce some beneficial results for these countries.

Dawson's most glaring deficiency was his inability to recognize and understand the depth and sincerity of the opposition to United States interference which was present in the various Latin American countries. Where the United States could bring pressure to bear on a government, this disregard of popular opposition made little difference in achieving policy objectives. Where such pressure could not be exerted effectively, the failure to account for the opposition could result in failure of the policy. In either case, increased anti-Yankee sentiment was likely.

Dawson's death, on May 1, 1912, not only ended a distinguished diplomatic career which very possibly may have continued to grow in importance, but it also removed a strong advocate of the policy of dollar diplomacy.
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Much has been written on the Latin American policy of the United States during the first decade of this century. In view of their responsibility in shaping United States foreign policy, the roles of Presidents Theodore Roosevelt and William H. Taft, and their respective secretaries of state have received major attention in the study of United States-Latin American relations during this period. Indeed, this has been the case in the monographic literature and in the biographies of these men.¹ These men, however, necessarily had to depend on the staff of the Department of State and the diplomatic officers of the United States who were stationed in the various Latin American capitals for information and advice upon which to formulate and implement policy. It is the purpose of this dissertation to investigate the diplomatic career of one of these men, Thomas Cleland Dawson, in an attempt to ascertain what influence, if any, he had in

shaping the Latin American policy of the United States during the Roosevelt and Taft Administrations.

Thomas C. Dawson's diplomatic career in Latin America and the State Department, from the time he arrived at his first post in January, 1898, until his death on May 1, 1912, stretched over a period of a little more than fourteen years. His importance, however, is not to be found merely in the length of his service, but rather in the importance of his assignments. This is clearly demonstrated by a very brief review of his career in the foreign service and the State Department. Until 1904, he served in the relatively insignificant post of Secretary of the United States Legation in Brazil. In April of that year, he was assigned to the newly created post of Resident Minister and Consul General in the turbulent Dominican Republic. In the next three years he would help to negotiate and implement a customs receivership in that Caribbean republic. Following his term in Santo Domingo City, Dawson served as United States Minister to Colombia, where relations with the United States had not yet recovered from the Panamanian revolution of 1903. In 1909, he was sent as Minister to Chile. There he briefly handled the negotiations concerning the settlement of the Alsop claim. By late 1909, he was called back to Washington to serve in the State Department as the Chief of the newly created Division of Latin American Affairs. His next assignment was Minister to Panama. He was in Panama City less than
a month when he was ordered to Nicaragua to negotiate a settlement with the new provisional Government of that country. In early 1911, he was again in Central America; this time he had been instructed to attempt to restore peace in Honduras. Completing his Honduran mission, he returned to Washington where he remained as Resident Diplomatic Officer in the State Department until his death in 1912.

In determining the extent of Dawson's influence on the Roosevelt and Taft Administrations, it is necessary to investigate his attitudes toward the Latin American nations, their politicians and people, in order to see how his attitudes differed from or were similar to those prevailing in the State Department. In this regard, Dawson seems to stand in contrast to some of his superiors. The Secretaries of State under whom he served, with the exception of Elihu Root, did not exhibit either much sympathy or understanding towards the Latin Americans. Dawson, however, became a student of the Latin American nations and produced a sympathetic study of the historical development of the South American countries. Finally, an effort will be made, where possible, to ascertain the attitude of the Latin Americans themselves towards Dawson and his work.

Since Dawson played a prominent role in United States-Latin American affairs, he naturally receives some mention in

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most works which cover United States diplomacy in Latin America for the period 1898-1912. Most frequently his name appears in reference to his work in the Dominican Republic and Central America. Of those historians who touch upon Dawson's career, only Dana G. Munro in Intervention and Dollar Diplomacy in the Caribbean 1900-1921 makes any attempt to indicate his influence or his attitudes. Here as elsewhere, only a small fraction of Dawson's career is treated.

In discussing works which treat Dawson's career, two others should be noted. John E. Briggs, in an article entitled "Iowa and the Diplomatic Service," devotes a few pages to outlining Dawson's assignments in the diplomatic service. Calvin J. Billman in his doctoral dissertation, "Backgrounds and Policies of Selected United States Diplomats to Latin America, 1898-1938," expends four pages on Dawson. There is no indication of the use of any archival sources in this section, although mention is made of the Papers Relating to the Foreign Relations of the United States for 1904 and 1906. On the basis of this rather cursory research Billman concludes that Dawson was a hinderance to the improvement of United States-Latin American relations. This present study shall differ from the above mentioned works in that it will

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3 Munro, op. cit., passim.
4 Iowa Journal of History and Politics, XIX (July, 1921), 360-64.
5 Unpublished Ph.D. dissertation, Tulane University, 1955, pp. 207-211.
6 Ibid., p. 211.
concentrate on Dawson as the focus of attention while still attempting to keep him and his work in proper historical perspective. Furthermore, whenever possible manuscript and archival collections have been used.

As in all works of this nature, the author has become indebted to numerous individuals in the course of his research and writing. Above all he wishes to express his profound gratitude to his adviser, Dr. Joseph A. Gagliano of the History Department, Loyola University, who not only introduced him to the importance of Dawson's diplomatic career, but also patiently offered advice, constructive criticism and encouragement as the research and writing progressed. The author is also indebted for the helpful advice and criticism given by Dr. Ralph E. Minger and the Reverend Charles E. Ronan, S. J., both of the History Department of Loyola University, who read and criticised the manuscript. The conclusions reached in this dissertation and any faults that may still be present, however, remain the author's responsibility. In the mechanics of searching out documents, the author was greatly assisted by the staffs of the National Archives, the Manuscript Division of the Library of Congress, the Special Collections Department of the Deering Library, Northwestern University, and the E.M. Cudahy Memorial Library, Loyola University. A special thanks is to be extended to Messrs. Karl Grisso, Reference Librarian of the Hanover College Library, Robert W. McClew, Registrar of Hanover College, and Harley P. Holden,
Assistant in the Harvard University Archives, for forwarding materials relating to Dawson in the Hanover College Library and Archives and the Harvard University Archives respectively. Finally, the author wishes to express his gratitude to the Arthur J. Schmitt Foundation whose generosity enabled him to devote a full year to the research and writing of this dissertation.
CHAPTER I
FORMATIVE YEARS: 1865-1897

When Thomas Cleland Dawson was born on July 30, 1865, his parents were residing in the small northern Wisconsin town of Hudson, located on the Mississippi River. On both sides of his family, he was of Scotish ancestry. His father, Allan Dawson, was a native of county Clackmannan, Scotland.¹ The elder Dawson had come to the United States with his parents twenty years earlier and had worked on his father’s farm prior to moving to Milwaukee in order to study law. After being admitted to the bar, he had gained some prominence in his chosen profession.² The family of Anna Cleland Dawson, Thomas’ mother, were descendants of Scotish immigrants who had settled in northern Ireland around 1610.³


Although a native of Wisconsin, Thomas C. Dawson would not spend much of his life there. Within three years of his birth, his father died. Apparently, Anna Dawson remained in Hudson for a few years with her two sons—Allan, Thomas' younger brother, had been born on October 7, 1866.4 Whatever the duration of his residence in the Badger State, it would seem that while there the young Dawson did receive a brief introduction to formal education. Shortly, however, Mrs. Dawson moved with her sons to the small settlement of Enterprise, in Volusia County, Florida. Owing to the paucity of schools in their new location, the remainder of his elementary education was left to his mother's instruction.5

In 1878, at the age of thirteen, Thomas was enrolled in the senior preparatory program of Hanover College, a small institution of higher learning located not far from the city of Madison in southeastern Indiana. After completing this final year of the preparatory program, which provided for instruction in algebra, geometry, English grammar, Latin (Vergil's Aeneid, Cicero's Orations, and prose compositions), geography, and physiology, he progressed to the Freshman year


of the College program.\textsuperscript{6}

The curriculum of the College at that time was divided into two basic courses, the classic and scientific, which differed little from one another. Pursuing the classics course, Dawson received an education which the college administration described as directed "to develop and discipline the mind, and to furnish that mental and moral outfit, which will best prepare men and women to take up their special work in life."\textsuperscript{7}

In fact, the College provided a rather broad liberal education. There was, as one might suspect, a heavy stress on the classics. However, courses in English, German, mathematics, physical science, history, geography, political science and "mental sciences"—psychology and philosophy—were required.\textsuperscript{8}

In addition, a significant portion of the curriculum was directed towards inculcating the students with religious and moral principles. Although the pamphlet describing the course of instruction at Hanover for the year 1880-81 main-

\textsuperscript{6}Robert W. McClew, Registrar, Hanover College, letter to the author, September 30, 1969.

\textsuperscript{7}Circular of Hanover College, 1880, p. 18.

\textsuperscript{8}Ibid., pp. 18-19.
tained that the College was "a Christian, though not a sectarian
institution of learning,"9 it would seem that it was closely
affiliated with the Presbyterian Church.10 Sunday mornings
were devoted to classroom study of the Bible and attendance
in chapel was required in the afternoon. Additional religious
instruction was provided throughout the week.11

Dawson was to have graduated with the class of 1883. However, during the winter term of his junior year, he had a
disagreement with no less a personage than the president of
the College. The outcome of this dispute led him to withdraw
from the school and to return to his home in Florida. The
incident evidently became something of a cause célèbre.
Dawson's side of the story received prominence in the college
newspaper, The Hanoverian. In the course of the winter term,
as a result of illness, he had asked for, and had received,
a four week extension of the deadline for his class essay.
However, after two weeks had passed, Dr. Fisher, the President
of the College, informed him that in view of the approaching
end of the term the essay must be submitted immediately or a
zero would be given for the assignment. This in turn would
lower Dawson's grade in Constitutional Law by two per cent.

9 Ibid.
10 The tenth edition of American Universities and
Colleges lists Hanover as being affiliated with the United
Presbyterian Church. Otis A. Singletary and Jane P. Newman
(eds.), American Universities and Colleges (10th edition;
11 Circular of Hanover College, 1880, p. 18.
Dawson, in what was perhaps an outburst of adolescent self-righteousness, did not fail to inform the President that he considered this treatment unfair, especially since he had originally been given four weeks grace and had, in fact, been ill during the past two weeks. Furthermore, he made it known that if he could not receive justice at Hanover, he would go where he could obtain it.  

While the transcripts of Dawson's grades at Hanover appear to be no longer extant, he apparently had a more than credible record. The editors of the college journal, *The Hanoverian*, noted in May, 1882, that given "a fair show," Dawson would "carry off class honors wherever he goes." Moreover, he enjoyed considerable popularity among his peers. The same editors reported that "Tom had more friends, perhaps, than any student in the College." His popularity is further attested to by the support given on his behalf in the argument with President Fisher by *The Hanoverian* and the editors' 

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12 *The Hanoverian*, II (May, 1882), 177. In spite of the fact that Dawson withdrew from Hanover in 1882, the College still awarded him a Bachelor of Arts degree in 1886. It would appear that Dawson was neither registered nor attended Hanover in the academic year 1885-86. Robert W. McClew, Registrar, Hanover College, letters to the author, September 30, 1969, and October 9, 1969.

13 Mr. Robert W. McClew, Registrar of the College states that at the time of Dawson's attendance "no one took very serious the filing or completion of student's personal records." Robert W. McClew, letter to the author, September 30, 1969.
subsequent refusal to withdraw their criticism of the President's handling of the matter. 14

Returning to Enterprise, he joined with his brother Allan in publishing a weekly country newspaper called the Enterprise Herald. 15 As a result of this undertaking he was able, after two years, to accumulate enough money to return to college. 16 At the time of his withdrawal from Hanover, he may have considered completing his college career at Yale. 17 In the end, however, he chose Harvard.

On October 21, 1884, Dawson was admitted as a sophomore in the Harvard class of 1887. 18 While at Cambridge, he lived alone in room 70 of College Hall. 19 At the end of the year, he again withdrew from college. It is difficult to determine

14 The Hanoverian, II (May, 1882), 177. Hanover College Triangle, May 9, 1912, pp. 1, 4.
16 Gue and Shambaugh, op. cit., II, 102.
17 The Hanoverian, II (May, 1882), 177.
18 Class of 1887, Record of T. C. Dawson, Harvard University Archives, Cambridge, Massachusetts.
the primary motive for his action. In part, it was perhaps the strident condition of his finances. Or, it may have been academic. His transcripts and attendance records indicate that he was an adequate if not spectacular student. While his grade average for the year was 84, he, nevertheless, had what would seem to have been a rather extensive absence and tardy record. Furthermore, it would seem unlikely that his background would have enabled him to fit well into the Harvard social milieu.

The termination of Dawson's studies at Harvard did not mark the end of his formal academic career. On October 15, 1885, he enrolled as a member of the senior class of the Cincinnati Law School, Cincinnati, Ohio. At the time of Dawson's matriculation, the Law School provided two years of instruction, the junior and senior years, culminating in the awarding of the degree of bachelor of laws. Applicants for admission to the senior class, who had not taken the junior year at the college, were required to pass an examination covering the courses of the junior year and to present either

20 Gue and Shambaugh, op. cit., II, 102.

21 Class of 1887, Record of T. C. Dawson and Record of Absences from and tardiness at recitations and lectures, 1884-1885, Harvard University Archives, Cambridge, Massachusetts.

a certificate of attendance at another law school or a letter
from an attorney stating that the applicant had studied law
for a year under his guidance. Since there is no evidence
that Dawson ever studied law either in college or in a law
office prior to his arrival in Cincinnati, it seems likely
that these rules were applied rather flexibly. It is possible,
however, that this deficiency was made up later. While in
Cincinnati, he worked in the law offices of Thornton M. Hinkle,
a prominent Cincinnati lawyer.

Apparently any deficiencies were easily made up, for
Dawson graduated on schedule with his class in June, 1886.
While the Law School's records for this period do not seem to
be extant, nevertheless, he did display some degree of

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23 Catalogue of the Officers and Students of the Law
School of the Cincinnati College for the Fifty-Fourth
Academical Year, 1886-1887 with a Statement of the Course
of Instruction (Cincinnati: n.p., 1887), pp. 14-15. [Hereafter
cited as Catalogue of the Law School 1886-1887.]

24 Thornton M. Hinkle to John Sherman, January 29, 1897.
Thomas C. Dawson's Application and Recommendation File.
Files of the Department of State, Record Group 59, National
Archives, Washington, D. C. [Hereafter cited as Dawson's
Application and Recommendation File.]

25 This statement is based upon replies made to inquiries
to the Office of the Dean, College of Law, University of Cincinn-
ati and to the Director of the Archives of the University of
Cincinnati. Letter of the author to the Office of the Registrar,
College of Law, University of Cincinnati, August 28, 1969.
Samuel S. Wilson, Acting Dean, College of Law, University of
Cincinnati, letter to the author, September 3, 1969. Letter
of the author to Samuel S. Wilson, September 9, 1969. Samuel
S. Wilson, letter to the author, September 13, 1969. Letter
of the author to Peter R. Thoms, University Legal Officer,
University of Cincinnati, September 19, 1969. Peter R. Thoms,
brilliance as is indicated by the fact that he was awarded a $75 prize for the best essay on a designated topic for the class of 1886. 26

Following his graduation from the Law School, Dawson headed for Iowa, arriving at Des Moines on his twenty first birthday, July 30, 1886. It is again difficult to determine exactly what prompted him to make this move. In part, it was perhaps the belief that opportunities would be more abundant in Iowa. There is also the likelihood that family connections helped to determine his action. In 1884, a cousin of his, J.C. Hume, had settled in the Iowa capital. Upon arriving in Des Moines, Dawson joined with Hume to form a law partnership, which was to last until the end of 1889. In January, 1890, the law partnership having been dissolved, Dawson turned his attention to journalism. He took a position on the Iowa State Register as legislative reporter, but quickly advanced to assistant city editor and finally in August, 1890, to the position of city editor. 27


The Register of the Department of State, September 20, 1911 (Washington, D. C.: Government Printing Office, 1911), p. 63, states that Dawson received an M.A. degree from the Cincinnati Law School in 1898. From the information received in the above mentioned replies and from a search of various lists of the graduates of the Law School (Law Dept. of the University of Cincinnati, A List of Graduates of the Cincinnati Law Department of the University of Cincinnati From the Time of its Establishment 1833 to 1904 [n.p., n.d.]), it would seem that this statement is incorrect.

27 Gue and Shambaugh, op. cit., II, 102.
Evidently the three years of practicing law in Des Moines and the time spent working on the Register opened new opportunities for Dawson: opportunities which could lead to political office. In the winter of 1890, he served as clerk of the Appropriations Committee of the Iowa House of Representatives. In February, 1891, he resigned his position with the newspaper and moved to Council Bluffs in order to form a law partnership with John Y. Stone of that city, who was then Attorney General of Iowa. At the same time, Dawson became Assistant to the Attorney General, a position which was apparently appointive and which he held until the expiration of Stone's term in office in 1895.

The period of four years during which he served as assistant to the Attorney General gave him adequate means to gain a degree of prominence in state politics and in the Republican Party organization. By 1893, he had risen to the chairmanship of the Party's central committee in Pottawattamie County (Council Bluffs), a position he held until 1897.

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Gue and Shambaugh and the other biographical works cited above incorrectly refer to Dawson's position as Assistant Attorney General. In his letter to Bacon on July 23, 1906, Dawson explicitly states that he "was for four years Assistant to the Attorney General of Iowa."
Popularity among fellow Republicans was not, however, confined to the environs of Council Bluffs, but spread throughout the state. Undoubtedly Dawson's part in prosecuting various cases against the railroads and his appointment as special commissioner for Iowa in that State's boundary dispute with Nebraska, added to his reputation. Furthermore, the law firm of Stone and Dawson enjoyed a large and prosperous practice.

Dawson's efforts on behalf of the success of the Republican Party in Pottawattami county bore fruit. During the three years of his leadership the control of the county government came into the hands of the Republicans. Perhaps, however, the most difficult task confronting the young Republican leader was to deliver his county for McKinley in the 1896 Presidential election. The Presidential campaign in Iowa was not easy for the Republican Party. Nor was the outcome a certainty until the end. Many of the Iowa farmers were lured to the Democratic candidate, William Jennings Bryan, by his stand on the free coinage of silver. The chairman of the state central committee reported that "in many counties the

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30 H. W. Byers, Speaker of the Iowa State House of Representatives, 26th General Assembly, to the Iowa Delegation in Congress, January 19, 1897, Dawson's Application and Recommendation File.

31 Gue and Shambaugh, op. cit., II, 102-103.

32 J. D. Edmunds, President, The Citizens State Bank, Council Bluffs to A. L. Hager, January 3, 1897; M. McDonald, Iowa State Representative 35th District, to Members of the Iowa Delegation in Congress, February 5, 1897; et passim, Dawson's Application and Recommendation File.
free silver craze had taken the form of an epidemic." However, the Republican party organization was well developed within the state and with a concerted effort by party officials and workers, Iowa was kept in the Republican column in the November election. In Pottawattami County, the Republican victory was largely attributed to the untiring efforts of Thomas Dawson. McKinley's election opened still further avenues of advancement. Dawson's work in the Iowa Republican Party had gained for him the respect of many local politicians, many of whom agreed that he was deserving of some reward for his services to the party in the form of a political patronage position. In addition, Dawson had an important connection in the national Republican Party. Since the days when they were classmates at the Cincinnati Law School, Thomas C. Dawson and Charles G. Dawes had been close friends. Dawes' rise to prominence in the party had been meteoric. At the age of

33 H. G. McMillan, Chairman Republican State Central Committee (Iowa) to James S. Clarkson, September 5, 1896. James S. Clarkson Papers, Library of Congress Manuscript Division, General Correspondence, Box 2, File 1896, Sept-Dec.

34 Ibid. H. G. McMillan to A. B. Cummins, August 20, 1896. Charles G. Dawes Collection, Deering Library, Northwestern University, Evanston, Illinois, [hereafter cited as Dawes Collection], filed in an unmarked box in file folder marked 1896; most of the documents in this box pertain to political affairs.

35 J. D. Edmunds to A. L. Hager, January 13, 1897; et passim, Dawson's Application and Recommendation File.

36 Dawson's Application and Recommendation File, passim.
thirty-one, in 1896, he was a confident of President-elect McKinley and it was rumored that he was being considered for a cabinet post. There is no indication that the relationship between Dawson and Dawes became parasitic, with the former using it merely as a means to further his own career. This friendship, nevertheless, could not but be advantageous to Dawson when he sought political preferment from the McKinley administration.37

Shortly after the election, Dawson evidently decided to take advantage of this new opportunity and seek a place in the diplomatic service. It is possible, however, that Dawson had been giving some thought to entering the diplomatic service prior to the election of McKinley. In his letter of recommendation for Dawson, Judge W. I. Smith, Judge of the District Court Pottawattamie County, states that he had frequently urged Dawson to seek a position in the diplomatic service.38 At this time it was his hope to gain an appointment as secretary to one of the United States legations in Europe, preferably Constantinople.39 There can be no question


38 Wallis I. Smith to the President, March 21, 1897, Dawson's Application and Recommendation File.

39 Dawson to the President, March 18, 1897, Dawson's Application and Recommendation File.
that Dawson was taking advantage of the system of political patronage which was then prevailing for the appointment of diplomatic officers. But, he was not without qualifications for the position he sought. His linguistic accomplishments were of some note. He claimed to be able to speak and read French and to read German, Spanish, and Italian. He was well educated and possessed some knowledge of United States diplomatic history and international law. Moreover, if the writers of his letters of recommendation can be taken at their word, "his address" was "wholly pleasing and attractive and his character and conduct... upright and manly." 41

The position of secretary of legation which Dawson was seeking was neither very prestigious nor lucrative. One man's opinion of the position is indicated in a letter from the United States Ambassador to Mexico, D. E. Thompson to Charles G. Dawes, dated December 13, 1907. Dawes had telegraphed Thompson asking advice on aiding a young friend of independent wealth who wanted to enter the diplomatic service. This letter does not apply to Dawson; nevertheless, Thompson's remarks are interesting in view of the fact that prior to his appointment to Mexico, he had been United States Minister to Brazil, and Dawson had served under him as secretary of legation from the time of Thompson's appointment to Petropolis.

40 Ibid.

41 J. Y. Stone to the Iowa Delegation in Congress, January 23, 1897; et passim, Dawson's Application and Recommendation File.
in 1902 until Dawson left to become United States Minister in Santo Domingo City, in 1904.

Thompson advised that if the young man had money and did not mind devoting himself to social affairs it might not be a mistake to enter the diplomatic service. Personally, however, Thompson could only see this type of life leading to the ruination of the young man. He furthermore doubted the likelihood of any advancement. If Dawes were determined to have his young friend placed in the diplomatic service, Thompson was sure that Dawes' political influence and connections would make this an easy task. Nevertheless, Thompson concluded: "First and last, however, I will say very frankly that if your young friend has brains and something to help himself with, he can do much better than to enter the Diplomatic Service." 42

Sometime in the spring of 1897, Dawson changed his mind about applying for the secretaryship of the legation in Constantinople and instead put his name forward for the same post in Petropolis, Brazil. Several factors may have determined this change in plans. In the first place, the legation in Constantinople was probably out of the reach of the Iowa politicians in Congress, upon whose support Dawson ultimately had to depend. The political patronage allotted to them in

42 Thompson to Dawes, December 13, 1907, Dawes Collection, 1906-1914 Name File, S-U, File T-General.
the diplomatic service probably was relegated to less prominent posts. Furthermore, the position of Minister to Brazil had recently been filled by the appointment of Edwin H. Conger, a long time acquaintance of Dawson. It is not unlikely that the new Minister prevailed upon his young friend to join him in Brazil.  

Finally, after several months of waiting, Dawson's efforts to receive his desired appointment were rewarded. In June, 1897, President McKinley submitted the young Iowan's name to the Senate for approval as secretary to the legation in Brazil. By the first of July the necessary approval had been conferred by the Senate and Dawson informed of his appointment.

Shortly thereafter, it would seem that the new secretary traveled to Washington for a brief period of instruction in his new duties and at that time conferred with the Third

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44 John Addison Porter (President McKinley's Secretary) to John Sherman, Secretary of State, June 23, 1897, Dawson's Application and Recommendation File.

45 Sherman to Dawson, July 1, 1897; Thomas W. Cridler (3rd Assistant Secretary of State) to Dawson, July 1, 1897; Diplomatic Instructions of the Department of State: Brazil, National Archives Microfilm Publications, Microcopy No. 77 (Washington, D. C.: National Archives, 1947) [hereafter cited as Diplomatic Instructions, Brazil], vol. 18, pp. 294-95, roll 26.
Assistant Secretary of State, Thomas W. Cridler, on the possibility of delaying his departure for Brazil until September or October. The delay would provide more time to conclude personal and business affairs and would also enable him to escort Minister Conger's family on the journey to Brazil. The officials in the Department of State had no objection to the delay.\(^46\) In spite of his original plans to set out for his new post in the early fall of 1897, Dawson did not depart from his home in Council Bluffs until November 11, finally leaving the United States around the twentieth of the month. Two months later, on January 18, 1898, he arrived in Petropolis.\(^47\)

Thus, in 1898, just as the United States was about to embark on the course of empire building, Thomas C. Dawson, then in his thirty-second year, began the career in the diplomatic service which was to occupy him for the remaining fourteen years of his life. The path which had lead to his appointment was not much different from that which lead many other men into the diplomatic service. Political patronage based on connections and faithful service to the party controlling the federal executive was the surest, if not the only, way to obtain an appointment as the representative

\(^{46}\) Dawson to Sherman, August 2, 1897, Despatches from Brazil, vol. 61, roll 63. Sherman to Dawson, August 10, 1897, Diplomatic Instructions, Brazil, vol. 18, pp. 260-61, roll 26.

\(^{47}\) Dawson to Sherman, November 15, 1897, Despatches from Brazil, vol. 61, roll 63. Conger to Sherman, January 18, 1898, ibid.
of Washington in some foreign capital. Nevertheless, Dawson was not bereft of qualities which would recommend him for his new position. The appointment as secretary of legation was rather low on the diplomatic concursus honorum, and lurking in the back of Dawson's mind there was probably little intention of spending the rest of his life in diplomacy. More likely he hoped to use the appointment as a starting point for further political advancement. However, as time passed he would begin to look upon himself as a professional in his chosen career and to seek advancement therein.
Arriving at the harbor of Rio de Janeiro around January 18, 1898, on board the French ship the Chili, Dawson was immediately impressed by the scenic beauty of the Brazilian capital. As the ship entered the harbor, the waters sparkled in the bright summer sun; off to the left lay the city with its suburbs partially obscured by the thick tropical fullage but still discernible as they stretched between the mountains. The deep clear blue sky reminded him of those he had seen as a boy in Florida. Once on shore he found the crowded streets of the business district of the city less attractive. It is unlikely that he spent much time in Rio before going to Petropolis, where the legations were located, to assume his new duties.

The position of a secretary of legation was varied. The primary duty, of course, was to attend to the routine office affairs of the legation: transcribing official communications, maintaining the archives, and taking charge of the record books, seal and cipher of the legation. In addition, whenever either the office of minister fell vacant or the

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minister was absent from his post, the secretary was to act as chargé d'affaires ad interim.² Within three weeks of his arrival, barely having gained an acquaintance with the affairs of the legation, Dawson found himself acting in this latter capacity. On February 6, Minister Edwin H. Conger left³ to assume his new post as United States Minister to China. Since the newly appointed Minister to Brazil, Charles Page Bryan, did not arrive and assume his official duties until April 11, 1898, Dawson was in charge for a little over two months.⁴

In spite of his relative lack of experience, Dawson does not seem to have had any difficulty as chargé. As a matter of fact, the six years which Dawson spent in Brazil coincided with a growing cordiality which had been evident in the relations between the two countries ever since the formal recognition of the Brazilian Republic by the United States in 1890. The result of this friendship became particularly apparent in 1898, when Brazil alone among the Latin American nations remained sympathetic towards its northern neighbor during the Spanish-American War.⁵ An early

²Sherman to Dawson, July 1, 1897, unnumbered, Diplomatic Instructions, Brazil, vol. 18, p. 249, roll 26.
³Dawson to Sherman, February 7, 1898, No. 105, Despatches from Brazil, vol. 62, roll 64.
⁴Bryan to Sherman, April 12, 1898, No. 4, ibid.
indication of this sympathy was given shortly after Dawson's assumption of the post of charge. On February 15, the U.S.S. Maine blew up and sank in the harbor at Havana. As soon as news of the tragedy reached the Brazilian Foreign Office condolences were sent to the United States Legation.\footnote{Dawson to Sherman, February 17, 1898, No. 109, Despatches from Brazil, vol. 62, roll 64.}

There can be no doubt that this expression of sorrow was in part perfunctory and dictated by diplomatic etiquette. Within two weeks, however, the Brazilian Government gave a more concrete demonstration of its friendship. On Wednesday, March 2, Foreign Minister Dionisio E. de Castro Cerqueira requested that Chargé Dawson call upon him the next day. In the course of the interview on the third, Dawson was informed that about two weeks earlier the Brazilian Government, through its minister in London, had been approached by an agent of the Spanish Government with a proposal to purchase two Brazilian cruisers then under construction in the British shipyard of Armstrong. One of these ships, the Amaznas, was near completion. Cerqueira stated that when news of this contact reached Rio, President Prudento de Moraes Barros and he had discussed it, and the President had instructed him to inform Dawson confidentially of the proposition. Furthermore, the Foreign Minister was to ascertain if the current status of United States-Spanish relations were such that the sale of
the vessels to Spain would be construed as unfriendly to the United States. Cerqueira hastened to explain that he had been instructed to assure Dawson that the Brazilian Government had only the friendliest sentiments towards the United States and did not intend to do anything inimical to the latter's interests.7

Dawson thanked Cerqueira for the expression and demonstration of friendship, and replied that insofar as he had been informed, United States-Spanish relations were still cordial. He promised, nevertheless, to telegraph the Foreign Minister's revelation to Washington. However, he realized that in addition to its friendly sentiments towards the United States, the Brazilian Government was anxious to sell these ships in order to obtain cash to help meet a debt installment due April 1. His interview with the Foreign Minister furthermore left him with the impression that the Government was in fact anxious to sell the ships to its northern neighbor. Conflicting newspaper stories had already appeared reporting that the vessels had been sold to Argentina or Spain and that their purchase had been discussed with the German Minister in Rio.8

Foreign Minister Cequeira's gesture of friendship was welcomed in Washington. Dawson was instructed to seek permission for the United States Ambassador in London to open

7 Dawson to Sherman, March 7, 1898, No. 116, ibid.
8 Ibid.
negotiations with the Brazilian Minister there, in order to obtain an option on the two ships. Upon receipt of these instructions, Dawson immediately contacted the Foreign Minister, and within a few hours the necessary consent had been obtained.

On the twelfth, Dawson was further instructed to urge the Brazilian Government to take speedy and favorable action on the sale of the ships. Again the Brazilian Foreign Office readily complied. By the latter part of the month the transaction had been completed. Although most of these negotiations were handled in London, Dawson played a minor role, and sharing in the success of the negotiations must have been a pleasant initiation into the diplomatic profession.

One of the major policy objectives of the United States with regard to Brazil during Dawson's tenure as Secretary of Legation in Petropolis was to increase the amount of United States exports to Brazil. In fact this had been an objective of North American diplomacy since 1890, and was to remain so long after Dawson had been promoted. Brazilian exports to the United States had long enjoyed a favorable balance. From the end of the North American Civil

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10 Dawson to Sherman, March 7, 1898, No. 116, Despatches from Brazil, vol. 62, roll 64.

11 Dawson to Sherman, March 22, 1898, No. 122, Despatches from Brazil, ibid.
War, the United States had consumed the largest portion of Brazil's coffee crop, and, after 1870, this commodity was admitted duty free into the United States. Brazil's other major exports, rubber and cocoa also found a ready market in the north. According to the State Department's calculation, in the fiscal year 1898 the value of Brazilian exports to the United States amounted to $61,750,000, of which over ninety-five per cent were admitted duty free. During the same period, however, the value of United States exports to Brazil amounted only to $13,300,000. A little more than thirteen per cent of this total had been admitted duty free; but even part of this small amount had been subjected to clearance charges. Within the next four years this situation was in no way bettered from the United States viewpoint.

In order to remedy this discrepancy the State Department under the leadership of James G. Blaine and his Republican successors during the McKinley and Theodore Roosevelt Administrations attempted to increase United States exports either by obtaining preferential treatment for United States goods or by means of reciprocity agreements. The latter had initially been accomplished under the McKinley tariff of 1890

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12 Burns, op. cit., p. 63.
14 Burns, op. cit., p. 63.
and an agreement with the Brazilian Government formulated in 1891. In spite of its unpopularity in Brazil, this arrangement endured until the passage of the Wilson-Gorman Tariff of 1894, which, while maintaining protectionism, eliminated reciprocity. However, with the enactment of the Dingley Tariff in 1897, reciprocity was restored to the diplomatic arsenal of the State Department in its efforts to secure a favored market for United States goods.  

Naturally, most of the negotiations concerning commercial concessions were conducted by the United States Ministers: Charles Page Bryan 1898-1902, and David E. Thompson 1902-1906. Nevertheless, during the various periods when Dawson was serving as charge, approximately fifteen months in all, he frequently had to conduct the negotiations on this topic. Whenever he did handle these negotiations, he always energetically pressed his Government's point of view.  

In addition, he did not hesitate to suggest alternate means of exerting pressure to achieve the desired end. Informing the State Department of the Brazilian Government's refusal to enter into negotiations on a treaty of commercial reciprocity


in March, 1898, Dawson noted that the incumbent Government had less than eight months left in office and was desperately trying to avoid national bankruptcy. Therefore, the President and his cabinet were reluctant to disturb the existing financial situation. To a large extent, Dawson reported, the financial difficulties confronting the Brazilian Government came from the fall in the rate of exchange. Since the revenues were collected in the depreciating currency and the debts had to be paid in gold, he noted that it was understandable that the Government was reluctant to reduce the revenues by any tariff concessions. In spite of this apparent appreciation of the Brazilian Government's problem, Dawson went on to report that the daily exchange rate was largely dependent on the amount of coffee sold, since that export was the principal source of foreign exchange. Moreover, he maintained that the imposition of the import tax on coffee as provided by the 1897 tariff would probably have an adverse effect on that commodity's price because the United States was its largest market. This fall in price, Dawson thought, would result in a decline in exchange and thus would not only harm the producers but also the Government who would be embarrassed by the further depreciation of its currency. He suspected that this as an aspect of the problem might not have occurred to the Brazilian Government and if Washington was determined to continue pressing for a reciprocity agreement this point might be profitably
brought to the attention of the Brazilian Foreign Office.\textsuperscript{17} The Department of State, however, decided to terminate negotiations on a reciprocity agreement until the new Brazilian president was installed in mid-November.\textsuperscript{18}

A similar suggestion was included in a despatch dated December 31, 1899. After discussing possible concessions to United States commerce with the new Foreign Minister, Olyntho de Maglhaes, Dawson reported that he believed the Brazilian Foreign Office had not yet seriously studied the question and that the Government was not demonstrating any genuine willingness to assist in elevating the loopsided trade balance. In view of this Dawson thought that it was time to present the Brazilian Government with "a frankly stated request" for preferential treatment of certain articles rather than to continue to ask what the Government was willing to do. He further implied that the threat of the imposition of the three cents per pound import tax on coffee under the 1897 tariff bill, might have a salutary effect on the Brazilian executive in securing these concessions.\textsuperscript{19}

About two years later Dawson again had an opportunity to advise on policy. In 1900 the Department of State had instructed Minister Bryan to urge preferential treatment for

\textsuperscript{17} Dawson to Sherman, March 25, 1898, No. 123, Despatches from Brazil, vol. 62, roll 64.

\textsuperscript{18} J.B. Moore to Bryan, April 30, 1898, No. 13, Diplomatic Instructions, Brazil, vol. 18, p. 362, roll 26.

\textsuperscript{19} Dawson to Hay, December 31, 1899, No. 214, Despatches from Brazil, vol. 64, roll 66.
flour coming from the United States was in barrels while that imported from its chief competitor in Brazil, Argentina, came in sacks.20 Finally in the fall of 1901, in an attempt to grant some concession to United States commerce, the Brazilian Government attempted to increase the duty on flour in sacks, thereby making flour in barrels more competitive. However, during the year and a half which had transpired since the original request had been made, Yankee flour exporters had also switched over to the use of sacks. While he was apparently not initially aware of the changed practices of the United States exporters, as soon as this matter was made known to him, Dawson urged the State Department to send him new instructions which would permit him to continue to seek the best interests of the flour exporters by opposing the new duties.21 Much to Dawson's pleasure, the State Department was aware of the changing conditions and wired him to urge the Brazilian Government not to impose the additional duty on flour in sacks.22

In addition to energetically pushing the negotiations for commercial reciprocity and offering suggestions for


21Dawson to Hay, November 1, 1901, No. 368; Dawson to Hay, November 12, 1901, No. 371, Despatches from Brazil, vol. 67, roll 69.

22Dawson to Hay, November 13, 1901, No. 372, ibid.
alternate action, Dawson also possessed a detailed understanding of both the financial situation in Brazil and the impact of the Rio Government's policies on United States exports to that country. This understanding was clearly illustrated in two despatches he sent to Washington while acting as chargeé in 1899. In late September, 1899, the Brazilian Chamber of Deputies considered a tariff bill which would have provided for a maximum schedule applicable to countries which taxed Brazilian exports and a minimum schedule which would be applied to those nations granting free entrance to Brazilian products. Dawson reported to the Department of State and to the Brazilian Foreign Minister that the new plan would not materially aid United States exports. Moreover, he pointed out that the application of the maximum schedule against France and Italy, the countries against whom the new law was primarily directed, would not benefit the United States, since French and Italian goods were mainly in competition with British and German products. In October, 1899, he sent the State Department a report on the domestic and foreign flour and grain business in Brazil. His conclusion was that under the existing tariff regulations the prospect for United States flour exports was bleak.

23 Dawson to Hay, September 30, 1899, No. 188, Despatches from Brazil, vol. 64, roll 66.

24 Dawson to Hay, October 20, 1899, No. 194, ibid.
Both of these reports were apparently well received in Washington.\textsuperscript{25} In referring to Dawson's report on the proposed new maximum and minimum tariff schedules, Secretary of State Hay noted:

The Department observes with satisfaction your careful examination of the proposed action of the Brazilian Government, and its probable effect upon our commerce with that country. An intelligent appreciation by your Legation of the entire question is of special importance in view of the long delay incident to correspondence between the two capitals.\textsuperscript{26}

In addition to reciprocity and preferential treatment of Yankee exports, the Department of State also sought to extend United States commerce in Brazil by instructing its consular agents and diplomatic representatives to gather and report information on potential markets.\textsuperscript{27} The diplomatic representatives could not, of course, personally present petitions on behalf of individuals seeking concessions or business opportunities; but, they were to see that United States citizens had equal opportunities with other foreigners in having their case heard.\textsuperscript{28} As a result of his travels in

\begin{itemize}
\item \textsuperscript{25} Hay to Dawson, November 3, 1899, No. 155; Hay to Dawson, November 23, 1899, No. 158, Diplomatic Instructions to Brazil, vol. 18, pp. 452, 455-56, roll 26. See also, Hay to Dawson, November 2, 1899, No. 154, \textit{ibid.}, pp. 451-52.
\item \textsuperscript{26} Hay to Dawson, November 3, 1899, No. 155, \textit{ibid.}, p. 452.
\item \textsuperscript{27} Hay to Bryan, October 26, 1898, No. 88, \textit{ibid.}, p. 406.
\item \textsuperscript{28} Hay to Bryan, October 12, 1898, No. 81, \textit{ibid.}, pp. 401-402.
\end{itemize}
Brazil and detailed study of various aspects of the Brazilian economy and industry, Dawson was also able to assist along these lines.

In mid-March, 1899, after a trip through the state of Minas Gerais, he submitted a lengthy report to the Department of State. From his observations, he concluded that the conservative characteristics of the inhabitants of that state would result in slow modernization of "their industrial habits and organizations." Nevertheless, in spite of what might have been considered unfavorable conditions, Dawson reported that the population and wealth of the state were rapidly increasing and that there was an opportunity for United States trade which was "well worth cultivating." He thought that there was a possibility of establishing or increasing the market for numerous products of United States manufacture, ranging from mining machinery and farm tools to toilet soap and patent medicines.29

Three years later while traveling in the State of Rio Grande do Sul, Dawson visited the construction site of the New Hamburg and Taquara Railroad. He immediately saw an opportunity for North American manufacturers to furnish some of the material required in the construction of this railroad and others that were to be built in the State. He suggested that

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the local importing firms contact firms in the United States, but discovered that they found it more convenient to deal with European firms. In his report to Minister Bryan in Rio, Dawson noted that the lack both of an United States business house and a consular representative in Porto Alegre made it difficult for United States commercial interests to obtain any consideration. He further recommended that the matter of the railroad construction be brought to the attention of United States firms in Rio de Janeiro in order that an agent could be sent forthwith in the hope of gaining some share in supplying the necessary material and equipment. 30

The possibility of securing a share of the Brazilian railroad construction for United States manufacturers and investors had actually been present in Dawson's mind long before his trip to southern Brazil. In late 1899 he had submitted to Washington a detailed report on the various Brazilian railroad routes. In it he covered the history of Brazilian railroad construction, the cost of operation, yearly profits and governmental control. He thought that such information might "be useful to manufacturers producing material used in railroad construction and management, and to capitalists contemplating investments in them." 31


31 Dawson to Hay, December 26, 1899, No. 212 and enclosure, Despatches from Brazil, vol. 64, roll 66.
In early 1904, while acting as charge, Dawson found another opportunity to assist North American commercial penetration of Brazil. The Brazilian Government was about to let a contract for the construction of a smokeless powder factory. The United States chemical company of Dupont was interested in obtaining this contract. When the company's representative, Colonel J. B. Burbank, arrived in Rio, Dawson personally introduced him to the minister of war. Dawson obviously thought that this was necessary to obtain an equal hearing for the North American concern since the German Minister had introduced German manufacturers. In this instance, Dawson's purpose was more encompassing than merely gaining a contract for a single chemical company. He thought that if Dupont won the contract, other United States commercial interests would indirectly benefit. The use of North American material and plans in the construction of the powder plant would give concrete evidence of Yankee mechanical progress. Brazilians were vaguely aware of this progress, he conceded, but were more familiar with European material and machinery. 32

Neither Dawson's energetic pressing for commercial reciprocity and preferential treatment of United States products nor his efforts on behalf of securing new markets for North American manufacturers made him unique. To the contrary, certainly he was right in line with the thoughts of the

32 Dawson to Hay, February 9, 1904, No. 128, Despatches from Brazil, vol. 69, roll 71.
Department of State and with those of his immediate superiors, Ministers Charles Page Bryan and David E. Thompson. However, the manner in which Dawson conducted the negotiations on commercial issues and his actions on behalf of United States producers clearly illustrates his acceptance of the importance of increasing United States trade in Brazil and the extent to which he, as a diplomatic representative, was involved in this effort. That his actions on behalf of North American exporters and manufacturers were appreciated is duly attested to by the numerous letters included in his Application and Recommendation file from manufacturers urging his appointment as United States ambassador to Brazil in 1911.33

Dawson's tenure as Secretary of Legation and the periods when he served as charge undoubtedly afforded him adequate opportunity to perfect his skills as a diplomat. It would seem that his competence was well appreciated by his initial superior, Minister Charles Page Bryan who served in Brazil from 1898 until his transfer to Switzerland in 1902. On several occasions Bryan noted Dawson's competence and ability in handling the Legation's affairs.34 While Bryan's successor,

33 James Mitchell to the President, December 6, 1911; Thomas A. Eddy to Huntington Wilson, December 5, 1911, et passim, Dawson's Application and Recommendation File.

David E. Thompson, made no reference to Dawson's ability, there is no evidence that he felt him incompetent. Certainly he did not hesitate to leave Dawson in charge of the Legation. Moreover, since Dawson had been in Brazil and in the diplomatic service some five years before Thompson left Lincoln, Nebraska to assume his first post in Brazil, there can be little doubt that the former was not only better versed in Brazilian affairs but also in general diplomacy than the new Minister.

That Dawson grew in professional competency and learned from his experience is further evidenced in his response to a State Department circular in July, 1904 concerning cooperation between diplomatic and consular officers in collecting commercial information. Dawson, at that time Minister Resident and Consul-General in the Dominican Republic, reported that, as a result of his experience in Brazil, he believed that the best commerical reports came from those consuls who worked under the conviction that the excellence of their work would be observed by their superiors in the Department of State and ultimately lead to promotion. Consequently, he thought that, while it was necessary for the Legation to watch over commercial matters and to offer guidance in the case of a new or careless consul, it was desirable that the Minister's control should not be such as to weaken the consuls conviction that his work would receive proper evaluation in Washington. He further recommended a system of efficiency reports for all
members of the consular and diplomatic services, both by their "immediate and indirect superiors." Apparently, he felt that the overlapping of functions and lack of clear lines of responsibility within the two services at time caused either unnecessary duplication of work or failures to transmit pertinent information. Therefore, he suggested that either the Ministers or Consul-Generals should be held directly responsible for translating and transmitting those decrees of the Government to which they were accredited which affected commerce in any way. 35

Considering Dawson's familiarity with the economic conditions in Brazil, his comparatively meager salary of $1,800, which was increased when he was serving as charge, 36 and the length of time he spent in Brazil, it would not seem out of place to wonder if his diplomatic record was in any way besmirched by hints of bribery or gain resulting from his position or by any other scandal. This investigation turned up no evidence to indicate a hint of wrong doing. Nevertheless, it is probable that he did use knowledge of conditions in Brazil to make what he considered to be an auspicious investment


36 Sherman to Dawson, July 1, 1897, unnumbered, Diplomatic Instructions, Brazil, vol. 18, pp. 249-51, roll 26.
in the São Paulo Tramway, Light and Power Company. While it is impossible to say with certainty whether this investment effected Dawson's future actions, it is to be observed that the matter was not closed until late March, 1904, only two months before Dawson left Brazil to accept a new assignment.

The files of the State Department indicate that Dawson was involved in at least one controversy which was undoubtedly annoying and could also have been an embarrassment to him in his diplomatic career. This controversy developed out of an agreement between Dawson's brother-in-law Fernando Duval, a Brazilian, and H. Kilburn Scott, a British mining engineer. Apparently in 1901, Duval, who lived in Rio de Janeiro, had employed Scott to investigate mining properties in Rio Grande do Sul. Since Duval could not speak English, Dawson acted as intermediary and interpreter. Duval later claimed that Scott violated their contract and refused to pay for the latter's services. Dawson was caught in the middle. His

37 Dawson to Dawes, February 18, 1904, Dawes Collection, File D, January-June, 1904. Dawes to Dawson, March 28, 1904, Dawes Collection, Letter Press Books, Personal Correspondence, January 26, 1904 to April 30, 1904, p. 297.

38 At the time of Dawson's death in May, 1912, he had on deposit with the Central Trust Company of Illinois, of which Charles G. Dawes was president, seventy shares of stock in the São Paulo Tramway Light and Power Company. These shares had a total par value of $7,000. "Central Trust Company of Illinois acting for Chas. G. Dawes, Agent for Luisa Dawson, Executrix of the Estate of Thomas C. Dawson", Schedule "A", Securities deposited with Central Trust Company of Illinois for Safe Keeping by Thomas C. Dawson During his Life. Dawes Collection, 1906-1914 Name File, Dawson-Fai, Thomas A. [sic] Dawson File.
brother-in-law blamed him for Scott's default, and Scott demanded that Dawson get the money from Duval or in lieu of that pay it himself. Dawson refused. In 1902, Scott turned the case over to his British attorneys and attempted to get a judgment against Dawson in a British court. He did succeed in securing some sort of judgment and thereupon his lawyers made the case known to the State Department. The charges were then forwarded to Dawson for reply. Dawson in turn presented his side of the story, and while denying both liability and the validity of any judgment in a British court, offered to submit the entire case to a Brazilian court or to an arbiter any time Scott desired. 39 Scott apparently did not see fit to pursue his case in the Brazilian courts as Dawson suggested, but continued to write directly to Dawson and threatened to unmask him for what he was before his superiors in Washington. In July, 1903, Dawson again wrote to the Department and laid Scott's letter and his own reply before Assistant Secretary Francis B. Loomis. 40 Dawson's initial explanation when Scott's lawyers brought the matter before the State Department had apparently been satisfactory 41 and the renewal of the issue


40 Dawson to Loomis, July 3, 1903, unnumbered, and enclosures: Scott to Dawson, June 12, 1903; Dawson to Scott, July 3, 1903, Dawson's Application and Recommendation File.

41 Dawson to Loomis, July 3, 1903, ibid.
does not seem to have caused any further stir. Dawson's willingness to submit to a Brazilian court or arbiter and his forwarding of Scott's letter to the Department of State would seem to indicate his desire to have the matter in the open, and would appear to attest to his innocence of any misconduct.

Although Dawson enjoyed his work and found it interesting\textsuperscript{42} he evidently hoped the Brazilian assignment would serve as a stepping stone for advancement. Certainly the limited prestige and the meager salary offered little inducement to stay as Secretary of Legation for any length of time. As early as April, 1898, his close friend Charles G. Dawes, who was then Comptroller of Currency, wrote hopefully that the future might offer opportunities for Dawson's advancement in the diplomatic service.\textsuperscript{43}

Since advancement in the diplomatic service was contingent on political preferment, Dawes and Allan Dawson, Thomas' younger brother, both strongly urged him to return to the United States for the 1900 presidential campaign. Dawes succinctly put in the following words:

You could not get any more prestige if you stayed there many years more, and at the same time would lose

\textsuperscript{42}Dawes to Dawson, April 9, 1898, Dawes Collection, Letter Press Book, Personal Correspondence, February 21, 1898 to April 28, 1898, p. 391. Dawson to Dawes, November 4, 1901, Dawes Collection, File D, July-December, 1901.

\textsuperscript{43}Dawes to Dawson, April 9, 1898, Dawes Collection, Letter Press Book, Personal Correspondence, February 21, 1898 to April 28, 1898, p. 391.
valuable years out of your life. If you have any chance for diplomatic advancement under the next administration, you should be here now and stay here until the campaign is over.44

In order to facilitate Dawson's obtaining a leave to return to the United States, Dawes personally wrote to the Department of State urging that the leave be granted.45 However, the Department had already decided to grant Dawson's request before receiving Dawes' letter.46

Nevertheless, Dawes continued to watch out for his friend's benefit. Once Dawson was back in Washington, Dawes tried to get him appointed to the vacant office of First Assistant Postmaster General. This was apparently without Dawson's knowledge. He was taken around to see Postmaster General Smith; but, the conversation was directed to political topics to keep Dawson from catching wind of what Dawes and Smith had in mind. Dawes also discussed the appointment with McKinley. He felt that his friend's case was in "pretty good shape." Dawson, however, either was not offered or did not accept the position.47 It is possible, that for political reasons, it was thought wiser to offer the post to some one

44 Dawes to Dawson, January 24, 1900, Dawes Collection, Letter Press Book, Personal Correspondence, November 28, 1899 to January 26, 1900, p. 481.

45 Dawes to Dawson, January 11, 1900; Dawes to J.A. Kasson, Department of State, January 11, 1900, ibid., pp. 347, 366.


47 Dawes, A Journal of the McKinley Years... , pp. 237-38.
else. Or perhaps the position was offered and Dawson turned it down preferring to remain in the diplomatic service.

Whatever the reason for Dawson's failure to get the position in the postal department, he did become actively involved in the 1900 presidential campaign. Again, this was probably through the efforts of Dawes. In July, Dawson requested and received an extension of his leave of absence. During the late summer and fall he headed one of the executive bureaus at the Republican Headquarters in Chicago.

In spite of his presence in the United States and his participation in the presidential campaign, no advancement was still forthcoming. In July, 1901, Dawes, who was about to leave his post in the Treasury Department, was again writing that it was virtually impossible to obtain a promotion without being in Washington. Pressure was enormous, he reported. He further urged Dawson to raise his sights and ask for the best position available. Dawes observed, "you are very worthy, but your modesty handicaps you somewhat."

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50 Dawes to Dawson, July 12, 1901, Dawes Collection, Letter Press Book, Personal Correspondence, May 14, 1901 to July 26, 1901, pp. 460-61.
By November, 1901, Dawson was still hoping for a promotion but had little faith in obtaining one. He had reached the point where he considered leaving the diplomatic service and entering business. 51 Disappointment over not being promoted was not the only reason why he was thinking about changing professions. In part, he was being led in that direction by financial considerations. In February, he wrote Dawes that he could no longer make the financial sacrifice necessary to remain at his post. 52 However, in spite of little hope of advancement and the increasing strain on his finances, he did not resign. While in the United States on leave in December, 1902, he again applied for a promotion. At that time he requested advancement to First Secretary of Embassy or to Minister of a "small mission like Uruguay." 53 Advancement ultimately would come but it was still sixteen months away. 54

It is difficult to determine what exactly persuaded Dawson to stay in Brazil in spite of the indication that he was planning to resign. Possibly he determined to remain in

51 Dawson to Dawes, November 4, 1901, Dawes Collection, File D, July-December, 1901.

52 Dawson to Dawes, February 14, 1902, Dawes Collection, January-June, 1902, part 1.

53 The Assistant Secretary to Mr. Mosher, December 24, 1902, Dawson's Application and Recommendation File.

54 Loomis to Dawson, April 28, 1904, telegram, Diplomatic Instructions, Brazil, vol. 18, p. 636, roll 26.
the diplomatic service and decided that even though advancement was slow in coming he still might have a chance if he remained at his post. However, there are other possibilities. On April 5, 1900, while in London on his way back to the United States, Dawson married Luiza Guerra Duval, a Brazilian lady whose family had banking interests in Rio de Janeiro and Porto Alegre. Therefore, family ties may have kept him in Brazil. Moreover, his wife had several business interests of her own and Dawson was involved in getting these in order. Consequently, this may also have detained him. At any rate, when Dawson spoke of the financial sacrifice involved in remaining


Three children were born of this marriage. Allan the eldest was born in Washington, D. C., on February 16, 1903. He ultimately went into the diplomatic service and devoted most of his career to Latin American affairs. (Who Was Who In America: A Companion Biographical Reference Work to Who's Who in America, Vol. II: 1943-1950 [Chicago: The A. N. Marquis Co., 1950], p. 147). On October 15, 1949, while serving as Counselor at the United States Embassy in Santiago, Chile, Allan apparently committed suicide by jumping from his office window on the eighth floor of the Embassy. (The Washington Post, October 16, 1949, p. 1). A daughter, Lilita, was born on July 31, 1905. (Dawson to Roosevelt, Theodore Roosevelt Papers, Manuscript Division, Library of Congress [hereafter cited as the Roosevelt Papers], Series 1, Letters received, August 7-21, 1905, Box 95). It is possible that she is still alive. A second son, Frederico, was born in the summer of 1907 and died in August, 1911. (The Washington Star, May 1, 1912).

56 Dawson to Dawes, February 14, 1902, Dawes Collection, January-June, 1902, part 1.
Secretary of Legation, it is highly doubtful that he referred to approaching poverty. Nevertheless, it is likely that he found it necessary to dip into his own resources.

In view of the fact that Brazil was but the first assignment in a fifteen year diplomatic career spent in the capitals of various Latin American countries and in the Department of State and marked by ever increasing responsibility in the conduct of inter-American relations, it would seem proper to conclude this phase of Dawson's career with an examination of his concepts of the historical and future development of South America, a major part of the area which would occupy his attention for the remainder of his life. Dawson's grasp of the contemporary Brazilian political and economic developments was more than adequately demonstrated in his despatches to the State Department. In addition, he utilized the time spent in Brazil to read extensively in the history of the South American nations and to discuss the political developments with scholars and the public men directly involved in shaping the destinies of these countries. The result of these readings, discussions, and his own observations was a two volume history entitled The South American Republics. The first volume, published in 1903, covered Argentina, Paraguay, Uruguay, and Brazil, with the last country, as might be expected, receiving the largest portion of the text. The

second volume, published the following year, dealt with the nations of the west and northern coasts of the continent, including the newly established country of Panama. After an introductory chapter in volume I covering the discoveries and conquest, the general format was to handle each country separately beginning with the colonial period then proceeding through the wars of independence and concluding with the political developments of the nineteenth and early years of the twentieth centuries. A physical description of each country was also included.

Dawson found the origins of the problems confronting the independent South American states, a tendency towards political disintegration, distrust of rulers and government, militarism, and economic retardation, in their colonial experience and in their fight for independence. The tendency towards localism, which frequently acted as a centrifugal force in the development of both the Spanish American nations and Brazil, could be traced, he believed, to the constitutional forms transplanted from the Iberian peninsula.58 Distrust of rulers and governments, which could give a predisposition towards revolution, resulted, he maintained, from Spanish and Portuguese tyranny.59 In addition, he saw the wars of independence, which naturally brought the military leader and adventurer to the fore, as a factor in contributing to

58 Ibid., I, v, 7. 59 Ibid., p. v.
militarism in the Hispanic nations. The economic retardation which the Spanish-American republics had experienced, again was attributed largely to Spanish colonial policy. This policy, Dawson argued, "ingrained into South Americans the belief that industrial and commercial activity exists only by sufferance of the government." Moreover, it hampered commercial spirit and deprived business skill of its rewards. The result was that office holding instead of productive pursuits "became the most popular of avocations." This pernicious effect, he maintained, could still be seen in the South American countries, and it was only slowly that the national ideals were becoming industrial. In modern times, he reported, the geographic isolation of Bolivia, Ecuador, Peru and the Pacific coast of Colombia added to this economic retardation. To Dawson there was a close connection between political advancement and economic advancement, and the industrial retardation from which the South American nations suffered also helped to account for their political problems.

In spite of the failures of the colonial system and isolation imposed by geography, Dawson was basically optimistic about the general political and economic development of the continent. He was convinced that militarism had "already definitely disappeared from more than half the continent" and

60 Ibid. 61 Ibid., p. 52. 62 Ibid. 63 Ibid., II, iv-v. 64 Ibid., p. v.
was "slowly becoming less powerful in the remainder." Politically, he saw an increase in "civic capacity" and the slow evolution of "the best form of government for their special needs and conditions." As a United States citizen he rejoiced that this form was republican. Economically, he also felt that there was hope. Immigration would raise the industrial level, and the opening of the Panama Canal would infuse new life into the commerce of the west coast of the continent.

This general optimism was further reflected in his treatment of the individual countries. He foresaw a bright future for the countries of the Rio de la Plata. Argentine industrial impetus, he believed, had reached the point where it could surmount all obstacles, and he was certain of Argentina's eventual "material greatness" and of its ultimate and extensive moral and intellectual impact on the rest of the continent. The little country of Paraguay, which had suffered so heavily in the war with Brazil and Argentina, he thought would no longer be a threat to any of its neighbors and that Paraguay now stood open to the world. His optimistic forecast for Uruguay was tempered by his realization of the historical conflict between Argentina and Brazil over that small country's territory. While predicting that the

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66 Ibid., pp. v-vi. 67 Ibid., p. v. 68 Ibid., II, v. 69 Ibid., I, 161. 70 Ibid., p. 224.
country would increase in wealth and population, he also felt that Uruguay would "continue to be the political storm-center of the Atlantic coast."\textsuperscript{71}

It was for Brazil that he had the most glowing prediction. Dawson reported that country was virtually "teeming with life and full of potential wealth--too much so, perhaps, for the most wholesome development of the human race."\textsuperscript{72} He maintained that within the next two centuries Brazil was destined "to support the largest population of any of the great political divisions of the globe."\textsuperscript{73} In addition to this tremendous economic potential, Dawson thought that the Brazilian political situation had improved and that there was little danger of internal disintegration.\textsuperscript{74} The Brazilian Government had had a rather difficult time financially during the first decade of the republic, but here too Dawson saw an improvement. Capital was beginning to accumulate, industrial habits were being formed, and a tendency toward moderate methods in the exploitation of the natural resources of the country was appearing.\textsuperscript{75} Brazil, he contended, was certain to endure. Immigration from Western Europe and North America he thought to be inevitable. The country might be thus transformed economically by this influx "but the new conditions will have to fit themselves into the political and social framework already in existence."\textsuperscript{76}

With regard to Peru's political development he reported most favorably, noting that that country had "long since passed the stage of pronunciamentos and military government." The outlook for the economic development of the country also looked bright. A stimulus along this line, Dawson believed, would be the Peruvian Corporation which had been formed by Peru's British creditors after the foreign debt had been settled by the Grace contract of 1889. "The existence of this gigantic private enterprise," he wrote, "which will apply the energy and economy characteristic of individual enterprise to undertakings governmental in magnitude" undoubtedly would aid Peruvian industrial development.

In spite of the Civil War of 1891, Chile had been the most stable of the Spanish American governments. Dawson attributed this unique phenomenon to several factors: the landed aristocracy had been interested in cultivating their farms and in peace rather than in taxing the poverty stricken; the people were industrious and "naturally inclined toward industrial progress" and were not easily led into following a revolutionary chief; finally, the country itself was compact not geographically divided up like Argentina and Colombia. Furthermore, he foresaw no repetition of the internal strife which had rocked the country at the beginning of the last decade of the nineteenth century. Rather, there would be a continuation of

77 Ibid., II, 132. 78 Ibid., p. 129. 79 Ibid., pp. 189-190.
the historical political stability. Similar optimistic predictions were given for the economic and political developments of Bolivia, Ecuador, Venezuela, and Colombia.

In addition to the historical treatment of the countries of South America and the optimistic prognosis for their future political and economic development, Dawson at least gives a hint of his thoughts on United States involvement in Latin America. In view of the concern he showed for the expansion of United States trade in Brazil while serving as Secretary of the Legation and the interest he had in the economic development of the South American countries as indicated in his historical treatment of them, it is not surprising that he hoped to see United States influence and trade expand along the west coast of the continent once the Panama Canal was opened. He felt that a predominance of influence and trade was "justly due the United States' geographical proximity and political sympathy." Moreover, he felt that "every patriotic American" must hope to see the strong intellectual, financial, and commercial influence of the European nations "supplemented by American schools, money, and commercial enterprise."

In view of Dawson's work during his next assignment in the Dominican Republic, it is interesting to note his attitude towards the problem of European intervention to force

80 Ibid., pp. 228-29.
81 Ibid., pp. 278, 281, 342-43, 399, 472.
82 Ibid., p. v. 83 Ibid.
a Latin American nation to pay its foreign debts and claims. This problem arose in 1902 when the Venezuelan dictator Cipriano Castro refused to settle foreign claims, and units of the British and German navies blockaded Venezuelan ports, bombarded the coast and sank two Venezuelan boats. While not giving an all-inclusive solution for the problem of default by a Latin American nation on its foreign obligations in writing of the Venezuelan crisis, Dawson observed that in this instance, arbitration was "certainly the best method of adjustment."\(^{84}\) However, his view on the occupation of territory by a European power in order to force the Latin American state to comply was quite clear: he opposed it. He wrote that such action "by European powers might give the latter a military hold in the western continent which would embarrass and complicate more important relations."\(^{85}\)

Probably just about the time he was completing the second volume of his history, the revolution occurred in Panama which enabled that former Colombian province to become an independent state and thus permitted the United States to undertake the building of the trans-isthmian canal in Panama. His treatments of the historical development of Colombia and Panama and of the events surrounding the revolution are clearly designed to justify the revolution in Panama and the action of the United States in supporting it. He begins his argument

\(^{84}\) Ibid., p. 398.  
\(^{85}\) Ibid., pp. 398-99.
by maintaining that geographically and historically Panama was not part of "Colombia proper." Moreover, to "Colombia proper" the building of a trans-isthmian canal was of no special commercial interest since it "has its outlet down the Magdalena to the Caribbean. ..." Concerning the Hay-Herran Treaty, Dawson implies that the Colombian Government was at fault for the Colombian Senate's failure to ratify the treaty and should have done something to secure ratification. This failure, according to him, blackened Colombia in the eyes of the civilized world and constituted an injustice to the people of Panama. Referring to the Colombian Government's attempt to negotiate a new treaty after the rejection of the Hay-Herran Treaty, he wrote:

The United States, however, absolutely refused to consider any other terms than those already agreed upon, and the civilized world saw the completion of an enterprise promising incalculable benefits to mankind indefinitely postponed by the opposition of Andean provinces whom the accidents of war and international politics had given an arbitrary control over a region with which they had no natural connection. The situation was particularly hard for the people of the Isthmus, whose confident hopes were now disappointed of at last receiving, by the prosperity which would follow the building of the canal some compensation for the oppression and losses they had suffered during the eighty years of misrule by the Bogota oligarchies.

Moreover, he clearly supported the action of the United States Government in lending its support to the revolutionary forces and in denying the use of the trans-isthmian railroad to

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86 Ibid., pp. 405-06.  
87 Ibid., p. 470.  
88 Ibid., p. 486.  
89 Ibid., pp. 486-87.
Colombian troops in Colon, and thereby preventing them from reaching the scene of the rebellion in Panama City. His justification is based on the assumption that the United States was authorized to act thusly under the Bidlack Treaty of 1846, between the United States and Gran Colombia. 90

Dawson's arguments, of course, overlook several equally important factors. He makes no mention of the fact that the Colombian Senate was at complete liberty to reject or ratify any treaty as it alone saw fit. 91 Moreover, in stressing the need of the canal he chose to disregard the existence of an alternate route through Nicaragua which was still available. 92 In maintaining that the action of the United States was justified under the treaty of 1846, he further overlooked the fact that while not interpreted as protecting Colombia from Panamanian secession, by this treaty Washington did recognize Colombian sovereignty over the isthmus. Therefore, it hardly seems just to interpret the treaty in such a way as to prevent the Bogota Government from effectively dealing with the revolution. 93

90 Ibid., pp. 487-88.
92 Mecham, op. cit., p. 251.
Dawson's treatment of the Panamanian episode is probably less indicative of a conscious distortion of the facts than it is of a wholehearted and uncritical acceptance of President Roosevelt's policy in securing the Panamanian route.

The six years spent in Brazil as Secretary of the Legation served as an apprenticeship for Dawson's latter diplomatic career. During this period he had ample opportunity to develop his skills as a diplomat. Furthermore, he adequately demonstrated his ability to grasp the essentials of a situation and to fulfill effectively his instructions and press his Government's viewpoint.

In addition, he achieved a more than passing acquaintance with the history of a large part of the area which would occupy his attention for the remaining years of his life. While recognizing the deficiencies of the countries of South America and the problems confronting them, his general outlook for their political development was optimistic, perhaps overly so. And, economically he saw the South American continent as a virtual storehouse of untouched resources.  

Concerning his own country's relationship with Latin America, his ideas were also taking shape during this period. There can be no doubt that he saw South America as a potential market for North American goods and a place for the investment of capital produced by the growing United States economy.

Moreover, he willing accepted as just the use of high handed methods by the United States Government in its dealings with a weaker nation in order to secure what Washington considered to be a righteous cause. On the question of making the weaker nations of the area behave and fulfill their international obligations, he offered no definite solution; but he clearly opposed European occupation to secure this objective. Finally, while not specifically mentioning it, it is likely that Dawson felt that the tremendous resources of South America made it imperative that the United States exert a predominant influence on that continent. 95

Though Dawson's ability and support of United States policy would seem to have been adequately demonstrated, promotion was slow in coming. The failure was in the system which coupled diplomatic promotion with political patronage, rather than in the man. Dawson could either resign in disgust, or remain at his post, as he apparently chose to do, hoping that either his political patrons or recognition of his ability, or perhaps both, would ultimately secure the promotion he sought.

95 For Dawson's views on the necessity of controlling trade routes, mineral supplies, and food supplies, see ibid.
Dawson's patient waiting for an advancement in the diplomatic service was finally rewarded in late April, 1904. On the twenty-eighth of the month he received a telegram from Assistant Secretary of State Francis B. Loomis informing him that he had been appointed by President Roosevelt to the newly created post of minister to the Dominican Republic, with a salary of $5,000 a year.\(^1\)

The Administration's first choice for this newly created post apparently was General Edward C. O'Brien, former Commissioner of Navigation.\(^2\) O'Brien, who turned down the Dominican post, and his brother John F. O'Brien were prominent figures in the New York Republican Party. In March, 1904, the General had sought the position of secretary of the Isthmian Canal Commission. At that time, Roosevelt had refused

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\(^1\) Loomis to Dawson, April 28, 1904, Diplomatic Instructions of the Department of State 1801-1906: Haiti and Santo Domingo. Haiti, National Archives Microfilm Publications, Microcopy No. 77 (Washington, D.C.: National Archives, 1946) [hereafter cited as Diplomatic Instructions to Haiti and Santo Domingo], vol. 4, p. 489, roll 98.

to intervene on his behalf, arguing that the Commission alone could select its secretary. In the end O'Brien was not the Commission's choice. The O'Briens considered this as a rebuff by the President and attempted to use it to add further bitterness to an already existing intra-party feud in the state of New York. Therefore, by tendering the newly created post in Santo Domingo to General O'Brien, President Roosevelt may have been attempting to soothe O'Brien's hurt feelings and thus mend political fences in his home state during the presidential election year.

Although Dawson may have been officially second on the list to receive the appointment to the Dominican Republic, there can be little doubt that he was the preferred choice of the Department of State. In a memorandum on conditions in the Dominican Republic, dated March 19, 1904, Assistant Secretary Loomis, who had recently returned from a trip to the republic, observed the need for an independent diplomatic post in Santo Domingo. Loomis advised the Secretary of State that the individual placed in charge of the new legation should be "a discreet, experienced, capable man." Certainly, the


4Memorandum For the Secretary of State on the Dominican Republic. Present Conditions Observed During a Recent Visit--Financial situation--Historical Notes--American Interests--Some
experience which Dawson had gained while serving as Secretary of Legation in Petropolis and the skill and diligence which he had demonstrated in filling that post indicate that he possessed these qualities.

Dawson's appointment as Resident Minister and Consul-General to the Dominican Republic brought him to two posts which for the previous twenty years had been almost solely occupied by Negroes. The practice of successive administrations in Washington to use the combined posts of Minister to Haiti-Charge to the Dominican Republic, and the position of Consul-General in Santo Domingo City as a source of patronage for deserving Negroes apparently had led Black politicians to consider Hispaniola along with Libera as their special preserves. To counter any adverse reaction which might be produced among the Black community in an election year by the appointment of a white man to the newly created posts, the Negro educator Booker T. Washington wrote to Roosevelt's secretary, William Loeb, offering to release the following statement to the Black press:

Suggestions. Roosevelt Papers, Series 1-Letters received: March 17-April 8, 1904, Box 71. This memorandum was transmitted to Roosevelt by Secretary Hay on March 25, 1904. Hay to the President, March 25, 1904, ibid.


Ibid., p. 55.
The bill making an appropriation for the establishment of a separate legation for San Domingo has passed Congress, and it is probable that the President will very soon select a Minister for that place.

It has been learned on good authority that the President had intended appointing a colored man [sic] to the ministership, but the Dominicans have diplomatically informed him that they prefer that no Negro be sent to them as Minister, at least not for the present. It is further stated that because of the complicated and sensitive conditions existing in San Domingo, the President, however, may decide to send a white man to occupy the place temporarily and later on may appoint a colored man to be the permanent Minister if it should be thought to be desirable. 7

From 1889 until Dawson's appointment, Haiti and the Dominican Republic had shared the same United States representative. However, while Port-au-Prince was favored with a legation and a fully accredited minister, Santo Domingo had to be content with part-time and less impressive representation. When circumstances required it, the United States minister in the Haitian capital would make the trip to Santo Domingo, where he would assume the character of charge d' affaires. During his absence, United States representation would be left in the hands of its consular agents in that republic.

Though the Dominican Government did not consider this arrangement to be fully in accord with its desired prestige, 8 the United States found it reasonably satisfactory for a number of years. In the spring of 1904, however, the Roosevelt

7 Booker T. Washington to Wm. Loeb, Jr., April 28, 1904, Roosevelt Papers, Series 1-Letters received, April 9-29, 1904, Box 72.

Administration decided that full time representation was required in the Dominican capital. An appropriation for the combined post of Minister Resident and Consul-General in the Dominican Republic was secured in the Deficiency Appropriations Act of April 27, 1904.9

The decision to establish an independent diplomatic mission in the Dominican Republic doubtless arose from the desire of the Administration in Washington to be assured of a steady flow of reliable information at a time when the prospect of greater United States involvement in the affairs of the Republic was becoming more imminent.10 This involvement was believed by some to be necessary in view of the chaotic conditions prevailing in the Caribbean nation. The Government to which Dawson was informed he had been accredited was, in the spring of 1904, still in the process of attaining control over the entire country. Moreover, the Republic was deeply in debt and on the verge of bankruptcy with its foreign creditors and their governments clamoring for payment.

In 1844, the eastern two-thirds of the island of Hispaniola emerged as the independent state of the Dominican Republic. For the next thirty-eight years the country's

9 Hay to Powell, June 14, 1904, No. 250, Diplomatic Instructions to Haiti and Santo Domingo, Haiti, vol. 4, roll 98.

10 Memorandum For the Secretary of State on the Dominican Republic: Present Conditions Observed During a Recent Visit . . . . Roosevelt Papers, Series 1-Letters received: March 17-April 8, 1904, Box 71.
history was marked by alternating revolution and strong arm rule. The ascension of Ulysses Heureaux to the presidency in 1882 temporarily altered this course by eliminating the kaleidoscopic changes for the next seventeen years. Heureaux's first administration, 1882-1884, lacked the political oppression and financial instability which characterized his later regime. In 1886, he was able to secure his reelection to the presidency. By means of political preferment, bribery, exile, imprisonment or assassination, he was able to retain control of the government for the next thirteen years.\textsuperscript{11}

While the respite from internal upheavals provided by Heureaux's Government brought a degree of prosperity to the Caribbean republic,\textsuperscript{12} at the same time his inept financial policies led to economic instability.\textsuperscript{13} When he came to the presidency the Dominican Republic already had an outstanding foreign bonded debt resulting from a loan made by British bankers in the 1860's. This loan, known as the Hartmont loan, was refunded in 1888, when Heureaux was able to obtain a new loan from the Dutch firm of Westendrop and Company. To assure that the new loan would be paid, the Dominican Government turned the collection of the custom revenues--the principal source of the Government's income--over to a board known as


\textsuperscript{13} Wells, op. cit., pp. 467-68.
the Caja de Recaudación or simply the regie. This board, consisting of representatives of the Dutch banking firm, in addition to collecting the custom duties deducted the amount necessary to pay the bondholders and remitted the remainder to the Government. 14

Two years after the initial bond issue under the Westendrop agreement, the firm floated another loan for the Dominican Government, this time to finance a railroad between the port of Puerto Plata and the major northern inland city of Santiago. For several months, the interest on the bonds were met. However, before long the Heureaux Administration again found itself in need of money. To meet this need, the President devised a new plan. His scheme consisted of granting local importers exemption from tariff duties in return for the advancement of a sum of cash. The natural outcome was that insufficient funds came into the hands of the regie and the bonds went into default in 1892. 15

When Heureaux sought another loan, the Dutch firm which had almost been ruined by the recent default was unable to comply with the request. Moreover, by now, Westendrop and Company, eager to divest itself of its Dominican interests, sought the aid of a group of New York attorneys in negotiating a transfer of the Company's interests, including the right to

collect the customs, to the United States Government. When this scheme failed, Messrs. Smith W. Weed, Brown and Wells, the attorneys involved, organized the San Domingo Improvement Company of New York, incorporated under the laws of New Jersey. This new corporation assumed the obligations and rights of the Westendrop firm. Among these rights, of course, was included the regie. Eventually, the Improvement Company organized two subsidiary corporations, the San Domingo Finance Company and the Company of the Central Dominican Railway. 16

The Improvement Company's contribution to the "improvement" of the country during the next seven years was limited to completing the Puerto Plata-Santiago railroad, which had been started under the supervision of Westendrop. The Company, however, did serve to tide the Heureaux regime over financially. In addition to the original bonds, which were issued in 1893 to serve in the refunding of the Westendrop loans, further issues were made in 1893, 1894, and 1895. All were issued at rates favorable to the Company. By 1897, as a result of heavy borrowing for military supplies and deflection of customs revenues away from the regie, the previously issued bonds were again in default and the government in dire need of money. Eventually, the older bonds were refunded; but attempts of the Improvement Company to float another bond issue proved futile. To resolve his financial problems, Heureaux issued

16 Schoenrich, op. cit., pp. 355-56.
paper currency which depreciated almost as quickly as it was printed. 17

Heureaux's regime came to an end with his assassination in 1899. His financial policies, particularly the issuance of fiat money, did not ingratiate him to the merchant class within the Republic. Undoubtedly, this factor contributed to his end. Nevertheless, the financial situation was not the sole cause for the dictator's demise. Those involved in the assassination had been plotting his overthrow for sometime, and many of the conspirators had suffered personally at the hands of the President. 18

The revolution, which followed the death of Heureaux, resulted in the emergence to prominence of two men, Juan Isidro Jiménez and Horacio Vasquez. Their followers were respectively known as Jimenistas and Horacistas. The Government established with Jiménez as president and Vasquez as vice president ended in revolution in 1902. A Horacista victory placed Vasquez in the presidency.

As a result of strong public sentiment against the Improvement Company at the beginning of his brief administration,

17 Ibid., p. 357.
Jiménez determined to terminate the relationship between the company and the Dominican Government. Negotiations to achieve this end were undertaken with Judge John T. Abbott, the vice president of the Improvement Company. For its part, the Improvement Company was not averse to withdrawing from the Republic provided that its original investment could be repaid. These negotiations came to nothing, since Jiménez changed his mind and decided to arrange a new agreement with the Company allowing it to retain the control of the regie. Jiménez probably hoped to use the North American corporation as a counter balance to other foreign creditors who were beginning to exert considerable pressure on his Government in order to secure payment of the amounts due them.

The new contract between the Company and the Dominican Republic, signed in March and ratified by the Dominican Congress on April 18, 1900, was to be valid only if the Company were able, among other things, to secure the consent of the majority of the bondholders to suspend payments on the bonds and to agree to a refunding. In spite of its contention that the majority of the foreign bondholders had agreed to this provision, the Company, in fact, did not secure the support of the French and Belgian creditors. When the Dominican Government learned the truth of the matter, it immediately notified

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19 Welles, op. cit., II, 559-60.
the Company that the money collected by the *regie* was not to be distributed until it could be definitely ascertained if the majority of the bondholders agreed with the arrangement. The Improvement Company, maintaining that it represented the majority of the foreign creditors, refused to accept the Government's orders. The ultimate result of this dispute was the issuance of a decree by the Government in January, 1901, depriving the Improvement Company of the right to continue its collection of the custom revenues under the *regie*.21

The United States Department of State, since the beginning of the McKinley Administration, had been taking a progressively more active interest in the protection of the burgeoning interest of United States citizens in the Dominican Republic.22 However, it was not until early 1901 that the Department of State began to take an active interest in the dispute between the Company and the Dominican Government. Previously, the Department had merely maintained that in any settlement the rights of the United States bondholders should not be prejudiced.23 But, with the decree depriving the Company of the right to collect the customs under the *regie*, Secretary of State Hay instructed William F. Powell, who represented the United States at both Port-au-Prince and Santo Domingo, to

21 Welles, *op. cit.*, II, 560-63.
22 MacMichael, *op. cit.*, pp. 120-21, 124-125.
offer the good offices of the Department on behalf of the Improvement Company. Powell, always eager to press United States claims, interpreting his instructions somewhat more strongly than Hay intended, presented the Jiménez Government with a harshly worded note demanding a settlement favorable to the Improvement Company. Although this course of action met with the Department's disapproval, Powell was instructed to continue the negotiations. 25

Temporarily interrupted by the Horacista revolution, the negotiations were eventually resumed and resulted in the Company agreeing to accept $4,500,000 for its properties in the Republic. These consisted of national bonds valued at $2,000,000, interest in the railroad from Puerto Plata to Santiago valued at $1,500,000, and interest in the bankrupt National Bank and other investments valued at $1,000,000. However, the inability of the opposing parties to come to an agreement with regard to immediate transfer of the Company's railroad to the Government and governmental inspection of the Company's records led to a break in the negotiations. This impasse was finally resolved when the Department instructed Powell to suggest arbitration. On January 31, 1903, a protocol was signed in which the Dominican Government agreed to pay

$4,500,000 and the Company promised to withdraw after turning over the railroad and its other properties to the Government. The rate of payment and the timetable for the transfer of properties were to be set by a board of arbitration whose membership was to consist of an appointee of the President of the United States, an appointee of the Dominican President, and a third member jointly appointed by the two chief executives. If, however, within sixty days after the signing of the protocol the third arbitrator had not been named he was to be selected from among the members of the United States federal judiciary. 26 This was the practice ultimately followed.

Within two months of the signing of the arbitration protocol, the Vasquez Government was overthrown by General Wos y Gil. Before the end of the year Wos y Gil himself had been forced out by a coalition of Jimenistas and Horacistas. General Carlos F. Morales emerged from these tumults more or less victoriously. Originally a Jimenista, he had deserted his former chief. As soon as his forces controlled a large portion of the country, Morales established a coalition cabinet composed of both Horacistas and those Jimenistas who supported him.

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26 Welles, op. cit., II, 585-86. Munro, op. cit., pp. 84-5. Protocol of an agreement between the United States of America and the Dominican Republic, for the submission to arbitration of certain questions as to the payment of sum hereinafter agreed to be paid by the Dominican Government to the Government of the United States on account of the claims of the San Domingo Improvement Company of New York, a corporation under the laws of the State of New Jersey and a citizen of the United States and its allied companies, FRUS, 1904, p. 271.
On December 3, 1903, Miguel E. Alfau, Morales' foreign minister, requested recognition by the United States charge in Santo Domingo. Powell made recognition contingent on the acceptance of certain provisions. The new Government would have to recognize the validity of the Improvement Company's arbitration protocol and several other claims which he had been pressing. Moreover, Morales would have to promise to send a commission to Washington to negotiate the transfer of Samana and Manzanillo Bays to the United States and the introduction of some measure of North American control of the Dominican finances. When Powell received assurance that the revolutionary Government would accept these provisions, he proceeded to recognize Morales without awaiting further instructions from Washington.27

Powell's recognition of the Morales Government came as somewhat of a surprise to the State Department. The policy in Washington was clearly one of wait and see. Following the standard procedure in such cases, recognition was to be withheld until the revolutionary regime indicated that it had control of the country. Nevertheless, Powell's recognition, once extended, was not withdrawn.28

An examination of the State Department's files of the instructions sent to Powell during the months of December, 1903


28 Loomis to Powell, January 9, 1904, January 17, 1904, FRUS, 1904, p. 265. Hay to Powell, January 20, 1904; Loomis to Powell, January 27, 1904, Diplomatic Instructions to Haiti and Santo Domingo, Haiti, vol. 4, roll 98. Munro, op. cit., p. 89.
and January, 1904, does not indicate that Powell had been instructed to demand a treaty between the United States and the Dominican Republic.\textsuperscript{29} It would seem, therefore, that the idea of a treaty was strictly his own. Nevertheless, the thinking in Washington was changing and the suggestion was perhaps welcomed. The Dominican Commission submitted its proposals to the State Department on February 3, 1904. These included concession of naval and coaling stations for the United States at Samaná and Manzanillo Bays and the right of the United States to build lighthouses along the Dominican coast in return for the United States assuming the full domestic and foreign debt of the Republic, helping to maintain order and assisting in preventing revolutions.\textsuperscript{30}

The willingness of Morales to permit his nation's sovereignty to be violated, as it surely would be if the United States were to accept the treaty, which was brought to Washington by the new Dominican Foreign Minister, Juan Francisco Sánchez, doubtless came from the President's realization that his Government was in danger from internal revolution and external intervention. His forces had not yet been able to gain the loyalty of the entire country. The northern section of the nation remained especially hard to bring under control. Furthermore, the possibility of intervention by a European

\textsuperscript{29}Diplomatic Instructions to Haiti and Santo Domingo, Haiti, vol. 4, roll 98. Munro, op. cit., p. 88.

\textsuperscript{30}Munro, op. cit., pp. 89-90.
power in order to secure the payment of debts owed its nationals appeared likely. One possible source of this intervention was a contract signed by the Dominican Government with the French and Belgian bondholders in 1901. This contract, which provided for a reduction in the amount due the bondholders, stipulated that the custom revenues from the ports of Santo Domingo and San Pedro de Macoris were to represent security for the payment of the debt. That the French and Belgian Governments might demand the revenues from the assigned ports was not out of the question, since the Governments preceding that of Morales had failed to meet payment on the obligations. In addition, the German, Spanish and Italian Governments had pressured the Dominican Government into signing agreements in 1903 providing specific payments for the claims of their nationals against the Dominican Republic. As these had not been honored, it was possible that these Governments might begin to bring pressure upon Morales in order to force him to pay, or suffer the lose of some customhouses. In May, 1904, the Italian Government insisted upon the Morales Government signing a protocol which provided that the revenues from the port of Samaná would be devoted to the payment of the Italian claims. 31

If Morales saw greater United States involvement in the

affairs of his country as the solution to pressing internal and international problems, several United States officials with interventionist or annexationist tendencies appeared eager to listen to his plans. As indicated, William F. Powell, the United States chargé in Santo Domingo, was one of these. His ultimate objective was annexation. In mid-March he sent the Department of State a lengthy despatch containing his thoughts on that topic. Rejecting forcible annexation as impractical, Powell suggested a plan which he hoped would ultimately lead the Republic along the path of voluntary annexation to the United States. The first step in his plan was to secure Morales' consent for the United States to control all the customhouses. The funds collected were to be divided between the Government and its creditors, thus eliminating or diminishing foreign dissatisfaction. Moreover, with United States control, revolutions would diminish, for insurregents would be unable to seize the customhouses. The United States would also be in a position, Powell claimed, to influence the government to effect beneficial reforms. As prosperity came to the country, the Dominicans would see the advantages of close association with the United States and voluntarily seek union with the great North American republic.32

Francis B. Loomis, Assistant Secretary of State, was another official favoring further intervention in Dominican

32 Powell to Hay, March 14, 1904, No. 796, Despatches from the Dominican Republic, vol. 11, roll 11.
affairs. Desiring more information before making a final decision on the treaty that Sánchez had proposed, President Roosevelt sent a commission headed by Admiral Dewey to investigate conditions in the Dominican Republic. Loomis, a member of this commission, met with Morales. In the course of their meeting, the question of possible United States control of the Dominican customhouses was discussed. The Dominican Government had originally intended to include this proposition among the proposals sent to Washington in February, but had dropped it before sending its commission. By March 16, 1904, however, Morales was willing to add this provision to his earlier suggestion.33

When Loomis returned to Washington, he prepared a memorandum on the conditions he had observed. This document was submitted to the Secretary of State for his consideration. The analysis which the Assistant Secretary presented was pessimistic. While acknowledging that the Morales Government was growing stronger, he noted that it still was unable to control the entire country. He contended, in fact, that "the Dominican Republic is approaching—if it has not already reached—a state of anarchy." Moreover, as a result of the disorders that the Republic was experiencing, sugar plantations owned by United States citizens had suffered considerable damage. There can be no doubt that Loomis had little sympathy for the

politicians who were formenting incessant civil wars. He observed:

The frequent and sometimes bloody civil wars in the Dominican Republic are not the outgrowth of an honest difference of opinion or of a conflict of ideas or of the defense or assertion of some principle of policy of governmental action, but are shameless sordid struggles for the privileges of controlling customhouses and disposing of their revenues. The country is largely in the grasp of desperately selfish irresponsible political brigands. Many of these guerrilla leaders are little better than savages as far as their ideas of property rights and the rights of those weaker than themselves are concerned. 34

Although Loomis remarked that among "the conservative property-owning and industrious people of the country" annexation to the United States was evidently favored, he himself did not suggest this alternative. Instead, he regarded United States control of the customhouses as the ultimate solution to the incessant revolutions. By controlling the ports of entry and collecting the customs, the United States would be denying this source of revenue to the potential revolutionaries. Morales, Loomis reported, was in accord with this view of the situation. The Assistant Secretary felt certain that the money collected from the customhouses would be adequate during the first year to meet both the Dominican budget and the interest on the foreign debts. This last point was worthy of special consideration, since as a result of heavy foreign

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34 Memorandum For the Secretary of State on the Dominican Republic. Present Conditions Observed During a Recent Visit . . . . Roosevelt Papers, Series 1-Letters received: March 17-April 8, 1904, Box 71.
investments and equally heavy debts owed to foreigners, European Governments were reluctant to refrain from interfering in the affairs of the Dominican Republic. 35

So far as the immediate situation was concerned, Loomis believed that the status quo could be maintained, "with due protection to American interest," if Commander Alfred Dillingham, a United States naval officer who had considerable experience in dealing with the chaotic Dominican situation, were placed in charge of the waters around the Republic and had three ships at his disposal. The possibility of United States control of the customhouses was not rejected but merely put off for the time being. When and if such action were considered necessary, Loomis thought that this could be achieved without massive military intervention. However, a marine guard might be needed at every port for several months. In the meantime, he suggested that an independent diplomatic post be created in Santo Domingo. In transmitting this memorandum to President Roosevelt, Secretary Hay especially noted the Loomis suggestions concerning the immediate action to be taken and the possibility of eventual United States control of the customhouses. 36

By March 29, Roosevelt had decided to reject the treaty proposed by Sánchez, including the subsequent addition of United States control of the Dominican custom revenues.

35 Ibid.
36 Ibid. Hay to the President, March 25, 1904, Roosevelt Papers, Series 1-Letters received: March 17-April 8, 1904, Box 71.
Powell's observations on annexation had no effect on the decision, for his despatch did not arrive in Washington until April 2. The Loomis memorandum, however, undoubtedly influenced this decision; for, while foreseeing the advantages of eventual North American control of the Dominican custom-houses, the Assistant Secretary had noted that it was possible for the time being to maintain the status quo. That the President had determined to do just that, postponing rather than rejecting a form of United States intervention, is clearly demonstrated in the exchange of letters between Roosevelt and Hay at the time. Informing Roosevelt that Sanchez had been notified of the United States' rejection of the idea of a treaty, Hay wrote:

I saw General Sanchez yesterday, and gave him his coup de grace. He bore his doom like a soldier and a gentleman. He rose and said: "When I came here my hope was in the generous good will of the American people. Now my only hope is in God", which he seemed to regard as an inadequate compensation.37

Roosevelt replied:

I am really touched about poor General Sanchez. Do you think it will restore his trust in Providence if he is given a hint to come back in eight months.38

During the subsequent three months, Morales was able to consolidate his position. In April, with only the port of Monte Cristi and the surrounding area remaining in the hands of his Jimenista opponents, he believed himself secure enough

37 Hay to Roosevelt, March 30, 1904, ibid.

to issue a decree setting elections for the end of May. As a result of these elections, he was chosen constitutional president of the Republic. The Monte Cristi problem was partially resolved when the revolutionary troops, commanded by Generals Desiderio Arias and Demetrio Rodríguez, reached an agreement, on June 10, with General Cespedes, the representative of the Morales Government. 39

The agreement between the Jimenistas and the Government in Santo Domingo had been reached as a result of the mediation by Commander Alfred Dillingham, the captain of the U.S.S. Detroit, which had been stationed in Dominican waters for sometime to protect United States citizens and their property during the disturbances in the Republic. During his tour of duty off the coast of Hispaniola, Dillingham had considered it necessary to intervene several times between the opposing forces. Nevertheless, if Powell's word on the matter can be accepted as true, there was "no officer in the American Navy more popular with the Dominican people. . . ." 40

The agreement which Dillingham presided over in early June, 1904, did not actually strengthen the Morales Government. In effect, Monte Cristi province was recognized as a virtually independent area, with General Arias as governor and responsible for maintaining order. Arias, in return, promised to collect


40 Powell to Hay, April 29, 1904, No. 857, Despatches from the Dominican Republic, vol. 11, roll 11.
and turn over to the Government all weapons held by the insurgents. This unsatisfactory arrangement failed to resolve the basic issues between Arias and Morales. Arias felt that his position was in jeopardy, while Morales feared that his opponents would use the province of Monte Cristi as a base to begin a revolt whenever they believed that the time was opportune. 41

These long range consequences obviously did not appear to Dillingham. In fact, he contended that the liberal terms granted by the Morales' Government was "a wise policy. . . and a very excellent stroke by Cespades because it has placed the insurgents so under obligation to the government, that they have become ardent supporters of it." This severe case of myopia on the part of the Commander is easily understood if one realizes that Dillingham was looking at the situation solely from the vantage point of the United States. Intervention by the naval forces of the United States in order to secure peace in the Dominican Republic was, Dillingham maintained, encouraging the Dominicans to believe that the United States was planning to come to their aid. This encouragement would help Morales to stay in power, until the United States could in fact give that aid. Evidently, Dillingham believed that that time would come in December, after the United States Congress had met. Moreover, North American intervention, the

41 Welles, op. cit., II, 610-11.
Commander asserted, served to show "foreign powers that the United States considers it its own affair to look after this Republic, and so long as we continue this policy, there is no danger from any other power in Santo Domingo." 42

Thus by the spring of 1904, the prospect of greater United States involvement in the Dominican Republic had been fully considered and rejected, at least temporarily, by the Roosevelt Administration. Clearly this rejection was not the result of any official Dominican opposition to the idea. To the contrary, President Morales had indicated that he was most receptive to the idea. The decision not to become more involved in the Dominican Republic was probably the result of two factors. In the first place with a presidential campaign facing him, Roosevelt probably was reluctant to offer his political opponents an opportunity to assail him by pursuing a too aggressive policy in the Dominican Republic. 43 Furthermore, from the reports that the State Department was forwarding to the White House, it appeared that the situation in that Caribbean republic were becoming more settled and that immediate intervention was probably necessary neither to preserve order nor to

42 Secretary of the Navy to the Secretary of State, June 24, 1904, transmitting Dillingham to Secretary of Navy, June 5-10, 1904. Miscellaneous Letters of the Department of State, National Archives Microfilm Publications, Microcopy No. 179 (Washington, D.C.: National Archives, 1964) [hereafter cited as Miscellaneous Letters], June 22-30, 1904, roll 1215.

thwart European intervention. For the time being, the Administration in Washington would content itself with creating an independent diplomatic post in Santo Domingo, thereby assuring both an adequate flow of information from Santo Domingo and proper direction of any future negotiations, and the stationing of naval vessels off the coast of the Republic.

Dawson arrived in New York, from his Brazilian post, on June 7, 1904, and remained in the United States about two weeks before departing for his new assignment. During his stay in the United States he spent some time familiarizing himself with the correspondence between the Department of State and Washington's previous representatives in Santo Domingo. In addition, he doubtless received instructions to make an extensive tour of the Dominican Republic and an intensive study of the financial situation prevailing in the Republic. 44

44 Hay to Dawson, June 14, 1904, No. 1, Diplomatic Instructions of the Department of State, Dominican Republic, National Archives Microfilm Publications, Microcopy No. 77 (Washington, D. C.: National Archives, 1946) [hereafter cited as Diplomatic Instructions to Santo Domingo], vol. 1, pp. 1-3, roll 98.
Dawson's arrival in the Dominican Republic was more like that of a proconsul sent to rule an extra-territorial possession than that of a diplomat sent to represent one sovereign government before another equally sovereign government. He arrived at Puerto Plata, situated on the north coast of the island, on the morning of June 29. There he found Admiral C. D. Sigsbee, Commander-in-Chief of the Caribbean squadron of the United States Navy, awaiting him with the flagship the U.S.S. Newark and other ships of the squadron. During the next two weeks Dawson accompanied by Admiral Sigsbee and other naval officers visited the important coastal towns and several of the major towns of the interior. On July 13, the newly appointed minister and his naval escort headed for the Haitian capital. Arriving there on July 15, Dawson spent sometime discussing matters in the Dominican Republic with Minister Powell and in meeting the important figures in Haitian political and diplomatic circles. After receiving the Legation's archives from Powell, Dawson and his companions finally set sail for Santo Domingo City.¹

¹Dawson to Hay, July 6, 1904, No. 3; July 28, 1904, Nos. 6 and 7, Despatches from the Dominican Republic, vol. 11, roll 11.
The Caribbean squadron conveying Minister Dawson to his post arrived off the Dominican capital on the twentieth of July. Arrangements were quickly made for his formal presentation to President Morales on the twenty-third of the month. On the day of his formal presentation, Dawson accompanied by Sigsbee and all the captains of the ships in the squadron left the Newark to the salute of the flagship's guns. Arriving at the quay they were met by members of the President's staff and thence conveyed to the Government Palace for the official ceremonies. 2

Dawson's extended tour had afforded him the opportunity to meet many of the major political and commercial figures in the Republic, and undoubtedly he had some contact with the common people. At any rate his initial impression of the Dominican people was favorable. He found them to be "polite, kind, frank and brave." Moreover, he believed that "with a settled government they"would prosper. 3

2 Dawson to Hay, July 28, 1904, No. 8, ibid.

3 Dawson to Hay, August 9, 1904, No. 9, enclosure 4: Dawson to Petit, ibid.

Dawson's favorable impression is in stark contrast to that of Admiral Sigsbee. The Admiral, strongly influenced by racial theories, had little hope for the progress of the Dominicans or, as far as he was concerned, for any of the Latin American Republics. The only hope for these areas, he maintained, was a strong influx of foreign immigration and foreign domination. Regarding the Dominican Republic he had the following observations to make:

"The population of San Domingo is wholly of mixed blood --the blood of the crude tropical negro, with the blood of the retrograde Spaniard. The parent stock in Spain is retrograde, and by reason of life in the tropics, the off-shoot in San Domingo is still more so, even in its nearest approach to
In spite of his rather unorthodox, if not somewhat menacing, arrival at his new post, Dawson evidently did not make an unfavorable impression upon those with whom he came into contact. He and his naval escort were cordially received in all of the cities where they stopped. However, the reception in Monte Cristi was perhaps cool. The favorable impression that Dawson left on the Dominicans was echoed by one of the leading newspapers of Santo Domingo City whose editor described Dawson as "un hombre de aspecto muy simpatico."

One of the first problems that confronted Dawson when he arrived in the Dominican Republic was implementing the arbitration award settling the claims of the Santo Domingo purity. The crossing of the tropical Spaniard with the tropical negro has not served to regenerate the former—indeed, the contrary is true. My observations lead me to the conclusion that there is no pure white blood among native Dominicans. The Spaniard has intense and agressive pride; the negro is highly imitative and lacks a sense of proportion. Conjoin these qualities and we have the Hispano-negro, with his lofty declarations and his poor performance.

"An official pay roll, and a place thereon is the paramount conception of government to San Domingo. Lofty sentiments are expressed to the contrary, but the fact remains. Progress means more revenue in order to provide more and better places. The local political history of San Domingo bears me out in this statement. The people are not by nature industrious; governmental work is light therefore governmental work is eagerly sought." Secretary of the Navy to Secretary of State, August 3, 1904, transmitting Sigsbee to Secretary of the Navy, June 26, 1904, Miscellaneous Letters, August 1-10, 1904, roll 1219.

4 Dawson to Hay, July 6, 1904, No. 3 and July 28, 1904, No. 6, Despatches from the Dominican Republic, vol. 11, roll 11.

5 Secretary of the Navy to Secretary of State, September 1, 1904, transmitting Sigsbee to Secretary of the Navy, August 23, 1904, Miscellaneous Letters, September 1-10, 1904, roll 1222.

6 Dawson to Hay, July, 1904, No. 8, Despatches from the Dominican Republic, vol. 11, roll 11.
Improvement Company. The commission, which had been appointed to settle the dispute between the Company and the Dominican Government, handed down its award on July 14, 1904.\textsuperscript{7} The Award provided for the transfer of the Company's stocks in the National Bank to be turned over to the Dominican Government within ninety days. The railroad would be handed over to the Government when it had paid the United States, which was acting as receiver, $1,500,000 of the debt owed to the Improvement Company. Other bonds which the Company held would begin to be turned over to the Republic when the principal on the debt of $4,500,000 had been reduced to $2,076,635. Interest on the principal was to be four per cent per annum.

The payments under the Award were to be made to a financial agent appointed by the United States. These payments were to consist of monthly instalments of $37,500 for the first two years and then to be increased to $41,666.66 per month thereafter. The money to meet the monthly payments was to be secured from the custom revenues and port dues of the ports of Puerto Plata, Sánchez, Samaná, Monte Cristi, and any other customhouses north of 18° 45' north latitude and east of the Haitian border. Apparently to assure adequate revenues, the tariff rates in these ports could not be reduced more than twenty-five per cent without the consent of the United States. If the Dominican Government should fail to meet the scheduled payments

\textsuperscript{7}The text of this Award appears in \textit{FRUS}, 1904, pp. 274-276.
payments, the financial agent was authorized to demand that the customhouse of Puerto Plata be turned over to him. Should the revenues of this port prove to be insufficient, he could then request possession of the other ports, or the Dominican Government could request that the financial agent take charge of these ports. Moreover, in August, 1904, the Dominican Government was to pay its share of the expenses of the arbitration. Failure to meet this expense was also recognized as due cause for the financial agent to demand possession of Puerto Plata.

In addition to his duties of collecting the monthly installments on the loans and taking possession of the various customhouses if the installments were in arrears, the financial agent appointed by the United States also had other prerogatives. He could appoint subordinate officials and employees. Furthermore, the agent was to act as a financial adviser to the Dominican Government on all matters affecting its ability to pay. The entire expense of the collection and the salary of the financial agent were to be borne by the Dominican Government.

On August 9, 1904, Secretary of State John Hay wrote Dawson that the State Department had appointed Mr. John T. Abbott as the financial agent of the United States who was to receive the installments on the debt of the Improvement Company. As mentioned above, Abbott was the vice president of the

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8 Secretary of State to Dawson, August 9, 1904, FRUS, 1904, p. 279.
Improvement Company and had previously represented the Company in its dealings with the Dominican Government. In appointing Abbott to this post the State Department and President Roosevelt were merely following the advice of the Improvement Company. In making the appointment, however, the State Department attempted to escape any future responsibility for Abbott's action in collecting and disbursing the funds. Abbott was informed that "this appointment... is made and is to be accepted on the understanding that it imposes no responsibility on the Government of the United States on account of your collection and disbursement of the sums awarded by the Commission, all such responsibility being specifically disclaimed." 9

When at the end of August the Dominican Government received Abbott's letter announcing his appointment as financial agent, the Dominican Finance Minister agreed to receive him but only in an unofficial character. An official reception was impossible, Velásquez explained, because the Dominican Government had not decided whether to accept or reject the Award of July 14. The Finance Minister informed Abbott that he believed it impossible for the Republic to meet the monthly payments and that moreover, he felt that the arbitration commission had exceeded its authority in granting the financial agent excessive powers and had thus violated the Dominican

9 Abbott to Assistant Secretary Loomis, August 4, 1904, Miscellaneous Letters, August 1-10, 1904, roll 1219.
In spite of Dominican reluctance to accept him officially as the financial agent under the Award, Abbott wasted no time in making the necessary preparation to put the Award into effect. On September 9, he appointed Joseph C. Strickland as Deputy Financial Agent for the port of Puerto Plata, where the first customhouse was to come under the control of the Financial Agent in the event the Government failed to meet the stipulated monthly payments. Abbott's action was based on the assumption that the acceptance or non-acceptance of the Award of July 14 by the Dominican Government had absolutely nothing to do with the validity of the Award. He argued that it derived its validity from the original protocol signed by the United States and the Dominican Republic establishing the arbitral commission. 11

On September 15, President Morales returned to the capital after a month tour of inspection of the northern provinces. 12 Six days later Abbott met with the President and discussed the Award. Morales indicated none of his


12 Dawson to Hay, August 30, 1904, No. 29; September 27, 1904, No. 43, ibid.
finance Minister's resistance. He acknowledged that the Government would not be able to make the initial payments due on October 1. He intended, therefore, to fulfill the provisions of the Award by turning the customhouse at Puerto Plata over to Abbott. Before a definite commitment on this point could be made, however, Morales stated that it would be necessary to consult with his Cabinet. Nevertheless, he seemed confident that he could gain his Cabinet's agreement to this plan. 13

Abbott told Morales that he had refrained from demanding the payments due in August and September because of the President's absence from the capital. However, he now thought it time to make the demand for these payments. In lieu of receiving these sums he would exercise his right as financial agent to demand the customhouse at Puerto Plata. Abbott was willing to cooperate to the extent of waiting until the President had a chance to break the dire news to his ministers, if such were Morales' wish. The President preferred to go to his Cabinet with the demand already in hand. Hence, Abbott drew up the necessary documents and presented the demand to the Minister of Finance on September 21, the same day as his interview with Morales. 14

If Dawson and Abbott were now confident that the Award would be accepted by the Dominican Government without further

13 Dawson to Hay, September 27, 1904, enclosure 1: Abbott to Dawson, September 26, 1904, FRUS, 1904, p. 281.

14 Ibid., pp. 281-83.
ado, they were drastically mistaken. Within a few days, it became quite evident that the Government had decided to try to obtain some modification of the Award, and if that were not possible, to reject it completely. On September 23, two days after Abbott's conversation with President Morales, Foreign Minister Sánchez requested an immediate interview with Dawson. Dawson was informed that the Dominican Government, although not unanimously, had decided to accept the Award. In spite of the fact that there were constitutional grounds upon which the Award could be rejected, it would, Sánchez noted, have the practical result of removing some of the customhouses from the grasp of possible revolutionaries. He further noted that the revenues from all customhouses in the Republic would not be adequate to meet both the expenses of the Government and the amount due the Improvement Company under the Award. In order, therefore, to secure sufficient funds for the Government, sixty per cent of the gross revenues would have to be set aside for its uses before it could agree to the Agent taking possession of any of the ports. If this guarantee were not forthcoming, Dawson was given to understand that Mr. Abbott would not be placed in charge of the Puerto Plata customhouse on October 1, and the Dominican Government would inform Washington of the reason why it considered the Award to be unconstitutional and inoperative. On the twenty-seventh, Finance Minister Velásquez visited Dawson, and on the twenty-eighth, Dawson and Sánchez conferred. Again the topic of discussion was the
modification of the Award. If the Government could not be assured of sixty per cent of the revenues collected by the Financial Agent, the Foreign Minister wanted an agreement which would delay the implementation of the Award for a month or two.15

On the morning of the twenty-ninth, President Morales met with Dawson and also attempted to obtain some modification of the Award. The President maintained that the execution of the Award would leave him without the means to pay his officials and troops and this would inevitably result in a revolution. Furthermore, Morales had little hope that the Financial Agent would look with sympathy upon his Government's plight, for, in the final analysis, the Agent, who also represented the creditor companies, would be concerned with nothing other than collecting the amount due the Improvement Company. Morales then stated that he had been advised that the Award violated the Dominican Constitution and to agree to it would violate his oath of office and virtually deprive Congress of its constitutional obligation to provide a budget for the country.16

That the arguments based upon the unconstitutionality of the Award really were of little concern to the President can hardly be doubted. His real fear was not violation of the Dominican Constitution but fear that his Government would lack

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15 Dawson to Secretary of State, September 27, 1904, FRUS, 1904, p. 280. Dawson to Hay, September 27, 1904, No. 44; October 6, 1904, No. 51, Despatches from the Dominican Republic, vol. 12, roll 12.

16 Dawson to Hay, October 6, 1904, No. 51, ibid.
sufficient funds to meet its daily administrative expenses. This point was made clear in the interview with Dawson on October 29. While rejecting the supervision of the custom-houses under the Award, Morales was more than willing to have the United States assume the collection of all the custom revenues of the Republic, provided $1,200,000 were allotted for the annual expenses of the Dominican Government. The remainder could be divided among the Republic's various creditors. In an interview with Abbott on the same day, Morales reiterated this proposal adding the provision that all the creditors must agree to it. 17

Throughout this time, Dawson refused to enter into any discussion with the Dominican officials concerning a modification of the Award or to give them any hope that the Government in Washington would be willing to agree to any such modification. He maintained that he had no authorization to discuss the validity of the Award and that he considered it binding. In reply to the Dominican contention that the execution of the Award would leave insufficient funds for the daily operation of the Government, Dawson merely replied that certainly the arbitration commission had given adequate consideration to the ability of the custom receipts to meet both the cost of running the Government and the installments due the Improvement Company. Moreover, Dawson regarded it unlikely that the Financial Agent

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17 Dawson to Hay, October 6, 1904, No. 51 and enclosure 2: Abbott to Dawson, September 29, 1904, ibid.
would administer the Award in such a way as to be prejudicial to the Dominican Government, for the Agent, Dawson asserted, also had an interest in maintaining peace and order. However, if once the Award were in operation and it became evident that it was impossible to meet both governmental expenses and the amount due the Improvement Company, the question of reducing the payments could be raised.\(^{18}\)

Furthermore, Dawson was not even moved by Morales' desire to substitute United States control of all the custom-houses for Award. He replied that he had no instructions to enter into such a discussion. Besides, Dominican acquiescence in the Award would not only provide immediate assistance in solving some difficulties. It would further favorably dispose the Administration in Washington "in the event that the United States might be willing to entertain a proposition looking to a wider responsibility."\(^{19}\)

In spite of his steadfast refusal to discuss the modification or delay in the execution of the Award, Dawson was not completely oblivious to the Dominican arguments. In late September, he wrote to Secretary of State Hay that he "would have preferred that the Award had fixed a later date for the Agent's taking possession" of the custom-houses. Moreover, he did bring the matter of guarantee of sixty per cent of the

\(^{18}\) Dawson to Secretary of State, September 27, 1904, \textit{FRUS}, 1904, pp. 280-81. Dawson to Hay, October 6, 1904, No. 51, Despatches from the Dominican Republic, vol. 12, roll 12.

\(^{19}\) Dawson to Hay, October 6, 1904, No. 51, \textit{ibid.}
custom revenues for governmental expense to Abbott's attention. He discussed with Abbott the possibility that the latter might, in his capacity as representative of the Improvement Company, assure the Dominicans that a minimum would be turned over to the Government out of the revenues collected in the ports under the control of the Financial Agent. Abbott, however, rejected the idea and his reasons for doing so seemed good to Dawson. The Minister's acceptance of Abbott's reasons doubtless were based on the belief "that a firm attitude at the beginning" was essential. 20

Unable to obtain modification or delay of the Award, and apparently unconvinced by Dawson's arguments, the Morales Government informed Abbott and Dawson that it would not allow the Award to go into effect on October 1. 21 The State Depart-ment was unwilling to tolerate this decision. Dawson was instructed to inform the Morales Government that the arbitrators had considered the problem of providing adequate revenues for all contingencies. To modify their award would be to reject their unanimous decision. Some hope, however, was held out to the Dominicans. Their representations could be presented after

20 Dawson to Hay, September 27, 1904, No. 42, ibid. An extract of this document is to be found on pages 280-81 of FRUS, 1904.

21 Dawson to Hay, October 6, 1904, No. 51, enclosure 2; Abbott to Dawson, September 29, 1904; enclosure 4; Sánchez to Dawson, September 29, 1904, Despatches from the Dominican Republic, vol. 12, roll 12.
the Award had been put into effect.  

That the decision to reject the Award was neither unanimous among the members of Morales' Cabinet nor final in nature soon became evident. In an interview with Abbott on October 8, Foreign Minister Sánchez indicated that he disagreed with his colleagues in the Cabinet in their decision to reject the Award. Furthermore, while rejecting the arguments that the Award violated the Dominican Constitution and that retention of sixty per cent of the revenues was necessary for the expenses of the Government, he contended that the Award represented a triumph for Dominican progress.

In the face of North American unwillingness to compromise on the point of modification of the Award, it would appear that if the attitude which Sánchez represented did not gain sway in the Cabinet, at least the members decided that it was futile to resist any further. In the cabinet meeting held on October 9, to discuss the United States' attitude toward the Dominican rejection of the Award, the ministers decided to reverse the Government's previous position and accepted the Award. Obviously, Morales hoped to gain more by accepting the Award than merely pleasing the United States Government. When Sánchez informed Dawson of the Cabinet's decision on the tenth,

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22 Hay to Dawson, October 4, 1904, FRUS, 1904, p. 283.

23 Dawson to Hay, October 8, 1904, No. 53, enclosure 1: Abbott to Dawson, October 8, 1904, Despatches from the Dominican Republic, vol. 12, roll 12.
the Foreign Minister indicated that it was also the intention of the Government to ask that Monte Cristi be placed under the control of the Financial Agent and possibly the ports of Samaná and Sánchez also. The reason for the Government's decision to place the other ports under the administration of the Award was simply that Monte Cristi was a particularly sharp thorn in the side of the Government. The officials in that port were virtually independent of the Government's control and word had been received that merchants were being granted reductions in the payments due on the customs in order to encourage them to import through Monte Cristi. This resulted in a decline in revenues coming into the hands of General Arias the Jimenista Governor of Monte Cristi.24

Control of the customhouse at Puerto Plata, which was transferred to the Deputy Financial Agent on October 20, was to be retroactive to the seventeenth of the month. Prior to the execution of the Award, both Dawson and Abbott had refused to make any agreement concerning the possibility of the Financial Agent providing the Government with any funds to aid it meet daily needs. Once the Morales Cabinet agreed to accept the Award, however, Abbott consented to provide $680 a day to the Government for one week. The Government had a critical need for this sum, since the funds for the salaries of the troops and officials at Puerto Plata, Santiago and Moca all

24 Dawson to Hay, October 21, 1904, No. 59, ibid.
came from the receipts at Puerto Plata's customhouse. This temporary payment would at least enable the Government to adjust its finances to the new situation.25

At this point, Morales again suggested that all four ports be transferred to the jurisdiction of the Financial Agent. This time he qualified his offer by requesting that $40,000 or $30,000 be allotted each month to the Government for its budget. Although Dawson believed that this plan would be advantageous to both the Improvement Company and the Government, since it would enable the Company to collect the amount provided for under the Award and assured the Government of revenue to maintain peace in the northern provinces and thus protect the Agent in the possession of the various ports, he, nevertheless, refrained from advising Abbott on the subject.26

Apparently, Abbott's superiors in the Improvement Company did not object to the temporary payment being made to the Dominican Government from the revenues the Agent collected at Puerto Plata. Nor did they foresee future difficulty in arranging for that portion of the budget covered by the revenues of Puerto Plata. Abbott, however, notified Morales that he could give no definite answer to the President's suggestion until he returned from consultation with the directors in New York. In the meantime, the daily subsidy would be terminated as of October 23.27

25Ibid. 26Ibid. 27John B. Moore to Acting Secretary of State Loomis,
When Morales learned that the $680 a day was to be cut off, he requested that Dawson help him gain some assistance. Dawson realized that Morales' plight was caused by the lack of funds in the Dominican treasury and the semi-independence of some of the provinces. Nevertheless, he urged the President to find the funds necessary to pay the troops in the affected areas, at least until Abbott could arrive in New York or until the Department of State could reply to a telegram he was sending to Washington. 28

In an interview on October 24, the Finance Minister and President again stressed their inability to secure sufficient funds from other sources to meet the budget of Puerto Plata, Santiago and Moca. Assuring himself by this time that the position of the Government was virtually impossible, Dawson agreed to wire Washington recommending that some temporary assistance be granted to enable Morales meet the expenses necessary to maintain his Government in power. On October 29, the State Department telegraphed permission to instruct the Deputy Financial Agent at Puerto Plata to pay $680 a day to the Dominican Government, unless Abbott had made some previous arrangement. 29

October 27, 1904, Miscellaneous Letters, October 21-31, 1904, roll 1227.

28 Dawson to Hay, October 21, 1904, No. 59, Despatches from the Dominican Republic, vol. 12, roll 12.

29 Dawson to Secretary of State, October 25, 1904, telegram; Dawson to Hay, November 2, 1904, No. 64 and enclosure 4: Dawson to Strickland, October 29, 1904, ibid.
Dawson's efforts on behalf of the Dominican Government achieved only temporary relief. On the evening of Saturday, November 5, a telegram from the State Department countermanding the instructions of October 29, arrived at the United States Legation in Santo Domingo. Although the payment of the $680 to the Dominican Government was to be suspended until Abbott returned, it was not the intention of the officials in Washington to indefinitely deny the Morales Government revenue from the northern ports. The telegram concluded that when Abbott returned, he would probably be able to make some arrangement to pay for the budget in connection with the transfer of the other three ports to the control of the Financial Agent. 30

This unexpected reversal of policy by the United States was not well received in Santo Domingo. Velásquez, who was in Puerto Plata at the time, threatened to deprive Deputy Finance Agent Strickland of possession of the customhouse if Dawson could not do something to resolve the new dilemma. Back in Santo Domingo City, Dawson attempted to dissuade Morales from drastic action which would endanger the satisfactory progress already made toward a definite settlement of his financial difficulties and a guarantee of continued exemption from revolts, and especially not to endanger the bright prospect he now had of securing, by an arrangement with Mr. Abbott affecting all four northern ports, the definite guarantee of a reasonable budget, and the suppression of contraband at Monte Cristi. 31

It was impossible, Dawson pointed out, for the Department of

30 Dawson to Hay, November 6, 1904, No. 66, ibid.
31 Ibid.
state to supply the necessary funds, and it would be unjust for the Department to require the Improvement Company "to go down into its pockets." Morales would have to draw upon his other resources. 32

Suddenly Morales changed his tone. He would agree, he said, to allow Strickland to retain control of the customhouse at Puerto Plata, provided that the Deputy Agent consented to complete the payments for the week of October 30 through November 5. Dawson decided to interpret liberally his latest instructions from the Department. Agreeing to Morales terms, he reasoned that certainly "the suspension could hardly have been intended to take effect before the date of the telegram ordering it." 33

Within a few days, Dawson again learned that his efforts had been only temporarily successful. This time it was the Dominican Cabinet's turn to reverse its previous decision. On Tuesday, November 8, Dawson was asked to attend a cabinet meeting. He was informed that the members of the Government had decided to comply with Finance Minister Velasquez's request that the customhouse at Puerto Plata be returned to Dominican control if the daily payments were not resumed. Dawson declined to make any effort to secure this objective, for his Government had approved of the interruption of the payments. Furthermore, the sum already paid by the Deputy Agent to the Dominican

32 Ibid. 33 Ibid.
Government was considerably in excess of the amount collected at the port. After presenting his reasons for refusing to attempt to re-instate the daily payments, Dawson turned to the task of persuading the Dominicans of the inadvisability of fulfilling their treat to eject Strickland. In the first place, he argued, such action would "endanger the probability of making an arrangement for a sure budget based upon the revenues of all four northern ports." Secondly, such action would not only be self defeating but useless, for the first ship scheduled to land cargo was the one bringing Abbott back to the Dominican Republic. Finally, Dawson pointed out that he had complied with President Morales' request of the previous Sunday and now he had a right to expect the President's promises to be kept. Dawson's arguments were evidently convincing, for, on the ninth, Foreign Minister Sánchez informed him that the Cabinet, accepting his advice, had decided to await Abbott's return before any further action would be taken. 34

Abbott returned to Santo Domingo on the afternoon of November 17. Within a day, discussions were begun looking towards the ultimate control of the customhouses at Sánchez, Monte Cristi, and Samaná in addition to that of Puerto Plata. Realizing that the authorities at Monte Cristi might prove difficult to handle, Dawson had determined to lend the Morales Government every possible moral support in its efforts to turn

34 Dawson to Hay, November 17, 1904, No. 70, ibid.
over control of the customhouse located there to Abbott. Morales was intending to go personally to that port aboard a Dominican gun-boat. Simultaneously, the U.S.S. Detroit would carry Abbott and Dawson to the same destination. Washington, however, was not yet ready to officially interfere so blatantly in Dominican affairs as to have the United States Minister present at the actual transfer of control to the Financial Agent. There was no objection to the Financial Agent descending upon Monte Cristi aboard the Detroit. Dawson, however, was instructed not to go beyond Puerto Plata.\textsuperscript{35}

The plans that Dawson, Abbott, and Morales were making for the transfer of the customhouse at Monte Cristi proved to be premature. By November 22, Morales, because of dissension within the Cabinet and among his supporters, was forced to withdraw his earlier promise to turn the additional three customhouses over to the Financial Agent. Finance Minister Velásquez, a prominent Horacista, threatened to resign if this plan were carried out. In fact, all Horacista support, the main prop for Morales' Administration, would probably have been withdrawn had these ports been turned over to Abbott. Devising a plan to provide more revenue for the Government, Velásquez had even obtained an agreement with General Arias to stop the diverting of goods from Puerto Plata to Monte Cristi.\textsuperscript{36}

\textsuperscript{35} Dawson to Hay, November 21, 1904, No. 74, ibid. Loomis to Dawson, November 21, 1904, telegram, Diplomatic Instructions to Santo Domingo, vol. 1, roll 98.

\textsuperscript{36} Dawson to Hay, November 22, 1904, No. 76, Despatches
Dawson was "disappointed" over this change of plans. He anticipated that the Morales Government would again threaten to deprive the Financial Agent of his control of the custom-house at Puerto Plata. If the Government chose to follow this course, Dawson informed the State Department that he intended to make a firm protest and hoped that a United States naval vessel would "be available to give" him "its moral support in such an effort to maintain American interests secured by the Protocol and Award." 37

Dawson also believed that the full implementation of the Award was essential in order to press other claims of United States citizens against the Dominican Government. By the third week in November, he had become convinced that control of Monte Cristi under the Award was important. Without the control of the customhouse at that port, he reported, it would be impossible to prevent the shifting of imports from Puerto Plata to Monte Cristi. This situation resulted in a decline of revenues at the former port and consequently a lose of large revenues for the Dominican Government. This lose made "it a hopeless task to secure a payment of the other American claims" that the Department had instructed him to press. 38

Dawson envisioned the Award far more broadly than merely

37 Dawson to Hay, November 21, 1904, No. 76, Despatches from the Dominican Republic, vol. 12, roll 12.
38 Dawson to Hay, November 21, 1904, No. 74, ibid.
as a means of protecting North American business interests or merely as a punitive measure to be taken against the economically prostrate Dominican Government. He considered the execution of the Award as a means of aiding the Dominican Government. In the first place, the implementation of the Award would remove one and possibly four ports from the potential grasp of revolutionaries. Furthermore, it would provide, at least in part, United States aid in straightening out the financial morass into which the Republic had fallen. Concerning the manner in which the Award should be administered Dawson wrote the following to Secretary Hay:

When the Award shall have been put in operation I believe it should [be] executed in an ungrudgingly generous and helpful spirit toward this Government and people, and I hope it can be made a basis for further arrangements which will extricate them from their difficulties and safeguard them from revolutions and repudiation. But the first step is to put the Award into effect, and sooner or later the Dominicans who are now advocating delay and evasion will see that this is so.

The eventual possibility of the United States giving assistance to the Dominican Republic must have been apparent to Dawson before he ever reached his new post; for, certainly he must have been aware of the proposals for assistance made by the Morales Government in the late winter of 1904, and of the not unfriendly disposition with which the Roosevelt Administration had greeted these overtures. In addition, his own

39 Dawson to Hay, October 6, 1904, No. 51; November 21, 1904, No. 76, ibid.
40 Dawson to Hay, September 27, 1904, ibid.
independent investigations soon convinced him that the Dominican Government needed outside assistance. One of the major tasks which absorbed Dawson's attention during his first few months among the Dominicans was that of "trying to get some insight into their horribly confused financial affairs."\(^\text{41}\)

In spite of the complexities of the situation, Dawson could write his superiors in the Department of State on September 12 that his investigation had led him to the conclusion that the Dominican debt was "approximately $32,280,000." This figure only gave a small indication of the financial problem confronting the Morales Government, whose plight became more clearly illustrated when the amounts due creditors and governmental expenses during the next year were compared with the anticipated revenue for the same period. It was estimated that the Government would need $1,300,000 or at the very least $1,200,000 for its administrative expenses. In addition, the obligations due creditors amounted to $1,441,609.26, excluding both the amounts due the Improvement Company under the Award of July 14, 1904 and the sums which had fallen into arrears in the past. The anticipated revenues, under Dominican administration, were $1,846,000. Of course, the Government intended first to deduct the funds necessary for its operation before applying anything to the payment of its debts. Under these circumstances, about $546,000 would be devoted to paying

\(^{41}\)Dawson to Dawes, September 13, 1904, Dawes Collection, File D, July-December, 1904.
the annual debts of over two and a half million dollars. Dawson, therefore, concluded that "the condition is one of hopeless bankruptcy unless there is a radical change in the system of collecting revenues, and a great reduction in current expenditure." 42

However, his investigations had further convinced him that the radical changes necessary to assure an improvement in the collection of the revenues was unlikely to take place. On the twenty-fourth of September, he wrote to Secretary of State Hay that

A study of past and present conditions in this country leaves no reasonable hope that under Dominican management of the customhouses the four abuses--peculation, contraband, secret rebates, and receiving revenues in paper obligations previously issued--will cease.

Nor did he consider mere foreign supervision of the custom collection adequate. As long as the collectors remained under the control of the Dominican Government, the inefficient and illicit practices would continue. 43

Inefficient and corrupt administration of the customhouses was not the only stream through which much needed revenue flowed out of the public coffers. A considerable portion of the amount collected was expended to prevent the overthrow of the existing Government. On this point Dawson's investigation had led him to conclude "that the present expenses could be

42 Dawson to Hay, September 12, 1904, No. 36, Despatches from the Dominican Republic, vol. 12, roll 12.

43 Dawson to Hay, September 24, 1904, No. 41, ibid.
largely reduced without depriving the Dominican people of any benefits they derive from Governmental administration at least as now conducted." The $1,300,000 that the finance ministry believed necessary for the administration of the government would probably, in fact, be increased by another $400,000. Out of this sum nothing was allotted for internal improvements, public education, the paying of the public debt or the improvement of the miserably conducted public services. Virtually the entire sum, Dawson reported, would be sent to suppress insurrection and for "salaries paid to officials who have no other function than to aid in maintaining the present Government in power." 44

Thus, Dawson was convinced that if left alone, the Dominican Government could not hope to extricate itself from a state of financial confusion, exacerbated by the ever present threat of insurrection. He undoubtedly concluded that the full implementation of the Award of July 14, 1904--that is, the placing of the four northern ports of Puerto Plata, Monte Cristi, Sánchez and Samaná under the administration of the Financial Agent appointed by the United States--was a possible means of ameliorating this situation.

Dawson's conviction of the necessity of United States interference in the financial affairs of the Dominican Republic was strengthened by his conversations with select elements within the Republic. From his earliest days there he was told

44 Ibid.
that North American intervention was necessary and even wel­
comed. On July 6, 1904, in one of his first despatches from
his new post, Dawson reported that

With hardly an exception, the many Dominicans whom I
have met in the last nine days, have told me that a long
continuance of peace cannot be expected, unless the United
States government intervenes. The officials are nearly as
frank on this point, as are the merchants and farmers who
are not in politics. Practically all classes seem to ex­
pect and hope for some form of American protection. I feel,
however, that it will be well for me to become better ac­
quainted with the Dominican character before I give full
credence to these expressions. They have, however, been
volunteered every place we have visited, and usually in a
form which made it impossible to avoid hearing them had I
so desired. 45

Although he does not mention whether his information came from
foreigners with financial interests in the Dominican Republic
or native Dominicans, further investigation did not seem to
contradict this early observation. In early November, Dawson
wrote the Secretary of State that

Merchants, planters and property holders in general
are in favor of American financial intervention as the
only hope of guaranteeing peace. The more customhouses
we control the more likely they think such a beneficent
result, and the better they would be pleased. But the
office-holding and military classes, even those favoring
the present Government, are as a rule in their hearts
hostile to the execution of the Award. Their real reason
is that they consciously, or unconsciously, recognize
that it will reduce the amount of revenue available to
pay the salaries they are receiving or that they hope to
receive. But many among them realize the resistance would
be fruitless, and a few of the wiser and more patriotic
ones, including President Morales, see in the Award the
means of putting an end to civil wars, to the frauds on
the revenue and the expensive and wasteful system of
military government, with its illegal payments to dangerous

45 Dawson to Hay, July 6, 1904, No. 3, Despatches from
the Dominican Republic, vol. 11, roll 11.
persons. I notice, however, that though this opinion is frequently sustained in private, no articles in favor of it have appeared in the press.46

So far as "the illiterate classes, who form nine-tenths of the population," were concerned, Dawson believed they were indifferent to United States intervention, although those near the towns, he reported, might be in favor of such intervention. There was always the possibility that this class might be incited to revolution on the pretext of defending the national sovereignty against Yankee interference. He speculated, however, that the majority of these people would remain quiet unless the initial efforts of any revolution were immediately successful. There was "little danger of a spontaneous popular rising."47

The foreign creditors and the diplomatic officials representing these creditors' respective countries, Dawson reported, also would not be averse to further intervention by the United States in the financial affairs of the Dominican Republic. This intervention, however, would have to be beyond the scope envisioned by the Award of July 14, 1904. The Spanish chargé, representing Spanish and German claims, and to a lesser extent the Italian representative objected to the implementation of the Award on the grounds that it interfered with either the priority of their claims or the possibility of

46 Dawson to Hay, November 2, 1904, No. 64, Despatches from the Dominican Republic, vol. 12, roll 12.

47 Ibid.
collecting the amount due these claims. The Belgian and French representatives made no objection to the Award. The Italian charge, Dawson believed, was actually seeking assistance from the United States in securing Italian interests. Furthermore, he had learned that the French representative favored United States control of all the Dominican customhouses as the surest means of protecting the interests of the Belgian and French creditors. 48

Moreover, President Morales himself had indicated that he favored ultimate United States control of the Dominican custom service. His position had been made quite clear in March and again after Dawson arrived in the Republic. The President reiterated this position shortly after Dawson had been informed that the Dominican Government had decided not to place Monte Cristi, Sánchez, and Samaná under the control of the Financial Agent appointed under the Award. On Sunday morning, November 27, Dawson obtained an interview with Morales. He was desirous of ascertaining from the President a definite statement as to whether the decision not to transfer the three ports was final or if there were a possibility it might be reversed in the future. Dawson began the interview by expressing his surprise at the withdrawal of the original proposal.

to transfer the three additional customhouses to the Financial Agent's control. He observed that this decision had been made only after the Dominican Government had thoroughly considered it; once the decision had been made, there had been no indication that it was being reconsidered. Dawson also stated that both he and Abbott, accepting the determination of the Dominican Government on this point, had worked to make the advantages of this arrangement clear to Washington, and had been able to secure funds for Morales "for the sole purpose of aiding him in his immediate financial difficulties pending" the acceptance of the proposal by the United States and the Improvement Company. Had there been any indication that the proposal would eventually be withdrawn these monetary sacrifices would not have been made. 49

To this charge of misrepresentation, President Morales replied that he had withdrawn the proposal only in the face of opposition among his supporters so strong as to leave little doubt that not to have done so would have lead to immediate revolution. "I remain firm," Morales said, "in my determination ultimately to carry out the policy outlined by General Sanchez and Mr. Hay and Mr. Loomis last spring--viz., to secure the effective intervention and protection of the United States by leasing to you Samaná and Manzanillo Bays and turning over to you the control of all our customhouses." The time had been

considered right to implement this plan; but, now it was necessary to let Finance Minister Velásquez try his plan. As soon as Velásquez met with failure, as he surely would, Morales told Dawson that he would revert to the original plan. The president concluded by saying: "I hope that in the meantime the United States will reach an understanding with the other creditor nations which will make it practicable to extend the request to include the southern as well as the northern ports."  

Dawson indicated gratitude at the President's expression of confidence in the United States. However, he observed that he had never mentioned either the possibility of leasing Samaná and Manzanillo Bays or the possibility of an arrangement with all the foreign creditors. His negotiations had been confined to negotiating the transfer of the four ports to the control of the Financial Agent. Dawson drew up his report of this interview with the President and sent it to the Department of State under the date of December 3. Arriving in Washington on the sixteenth, it was read by Assistant Secretary Loomis and Secretary Hay sometime between the seventeenth and the twenty-third of the month. The despatch was then forwarded to the White House for President Roosevelt's consideration.

While it is difficult to determine the exact impact that Dawson's despatches had on the decisions which were being

50 Ibid.

51 Ibid. Across the top of this document is the following hand written notation: "sent copy to President."
made in Washington, it, nevertheless, seems likely that the one of December 3 and the others containing his evaluation of the necessity of United States intervention to aid the Dominican Government in resolving its financial problems must at least have persuaded the Roosevelt Administration that such intervention would not be opposed but rather welcomed by the more responsible elements within the Republic and by the foreign creditors. Nevertheless, these despatches certainly were not the only factors which determined the next step towards greater United States intervention. The policy of ultimate intervention and control of the Dominican customhouses, it would seem, had already been determined before Dawson was ever appointed to the Legation in Santo Domingo. By the presidential election of November, 1904, Roosevelt was assured of another four years in office. And with the presidential campaign behind him, he undoubtedly felt more free to pursue a more vigorous policy. Furthermore, if it had been the intention of the President and Secretary of State to use the Award of July 14, 1904 as a means of providing some aid to the Dominican Government without more overtly interfering in the affairs of that republic, as it quite obviously was Dawson's plan, it became apparent by the end of November, that such a policy was not going to work very well. Whatever his motives, President Roosevelt indicated his intention of following a more determined course of action. In his annual message to Congress on December 6, 1904, he noted that
chronic wrong-doing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrong-doing or impotence, to exercise of an international police power. 52

In pursuance of this new policy Secretary of State Hay sent the following telegram to Dawson on December 28, 1904:

You will sound the President of Santo Domingo, discreetly but earnestly and in a perfectly friendly spirit, touching the disquieting situation which is developing owing to the pressure of other governments having arbitral awards in their favor and who regard our award as conflicting with their rights. Already one European Government strongly intimates that it may resort to occupation of some Dominican customs ports to secure its own payment. There appears to be a concert among them. You will ascertain whether the Government of Santo Domingo 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 claiments. We have grounds to think that such arrangement would satisfy the other powers, besides serving as a practical guaranty of peace of Santo Domingo from external influence or internal disturbance. 53

Whatever might have been his influence in shaping this more vigorous policy there can be no doubt that Dawson was in accord with it. On December 17, he had written a personal letter to Assistant Secretary Loomis. In this letter he gave his evaluation of the political and financial situation in the Dominican Republic. Concerning the course which the United


states should follow, he wrote the following:

It is hardly necessary for me to say to you that I think our only policy for the present is to let the pressure of increasing financial difficulties bring about the inevitable result. Without our intervention they cannot pay, and unless they pay they cannot stay in power.\textsuperscript{54}

In summary, the first six months of Dawson's service in the Dominican Republic was largely devoted to attempting to secure the full implementation of the Improvement Company's Award of July 14, 1904, and studying the financial situation of the country. Although strong opposition within the Dominican Cabinet and among President Morales' supporters prevented the complete execution of the Award, Dawson was successful at least in persuading the Morales Government to accept the Award and to allow Puerto Plata to remain under the Financial Agent's control. His study of the financial conditions of the Republic convinced him that the country could not extract itself from its financial problems without United States interference. Furthermore, he concluded that this interference would be beneficial to the Dominican Republic and would not meet with opposition either in the Government or among the monied and propertied interest. When the Administration in Washington decided the time was opportune to take a more vigorous stand, a position perhaps influenced in part by Dawson's reports, Dawson was in full accord with the decision of his superiors.

\textsuperscript{54} Dawson to Loomis, December 17, 1904, personal, Despatches from the Dominican Republic, vol. 13, roll 13. Quoted in part in Munro, \textit{op. cit.}, p. 99.
CHAPTER V

DAWSON-DILLINGHAM AGREEMENT:
DECEMBER 30, 1904 - JANUARY 21, 1905

Upon receipt of Secretary Hay's telegram of December 28, 1904, Dawson immediately began the course of negotiations which, over the next three months, would lead to a North American supervision of the Dominican customs. Dawson's first move was to seek an interview with President Morales. Both men agreed fully that the Dominican Republic could no longer count on the patience of its foreign creditors and that demands for payments of these debts would not be far in the offing. Furthermore, the President acknowledged that the European creditors would not accept any guarantee that his Government could offer. Indeed, he returned to his previous stand that the best solution to the Republic's economic problems lay in United States control of the customs with a fixed sum being guaranteed to the Dominican Government for expenses.¹

¹Dawson to Secretary of State, January 2, 1905, No. 100, FRUS, 1905, p. 298.

The documents included in FRUS, 1905, pp. 298-370, give a rather detailed picture of the events surrounding the negotiations of the agreement of January 21, 1905, the protocol of February 7, 1905, and the modus vivendi of April 1, 1905. While in some instances these documents have been edited, they are generally accurate reproductions of the originals to be found in Despatches From United States Ministers To the Dominican Republic 1883-1906, National Archives Microfilm Publications, Microcopy No. 93 (Washington, D. C.: National Archives, 1966), roll 13, vol. 13 and roll 14, vol. 14. Therefore, most citations in this chapter and in those dealing with the protocol of February 7 and the modus vivendi refer to FRUS, 1905. However,
In spite of this consideration, Morales was not yet quite ready to make a formal proposal that the United States assume charge of the customhouses. Opposition to such a proposal, while it still existed within the Cabinet and among his prominent supporters, was weakening. Finance Minister Velásquez had just about given up on his own plan to provide the Government with more revenues. Moreover, the arrangement which had left the Jimenista General Arias as governor of Monte Cristi, continued to prove unsatisfactory from the Government's point of view and the possibility of requesting that that port be taken over under the Improvement Company's Award of July 14, had again been suggested in the last cabinet meeting. \(^2\)

Dawson gave the President little hope that the Dominican Government could use the Award solely as an aid in dealing with Arias. If it became necessary to request more ports under the Award, Dawson told Morales, these would have to include Sánchez, and Samaná as well as the Jimenista stronghold. However, Dawson noted that he "appreciated how great were the political difficulties" against which the President was struggling: "Difficulties which arose from the deeply grounded prejudice against any sort of American intervention existing among some of his supporters." Nevertheless, Morales alone, Dawson

\(^2\) Dawson to Secretary of State, January 2, 1905, No. 100, \textit{FRUS}, 1905, p. 299.
maintained, could determine when this prejudice had sufficiently abated or when it was time to act in spite of the opposition. ³

At this point, Morales attempted to ascertain what portion of the custom revenues the United States would be willing to allot to the Dominican Government. Dawson refused to commit himself, undoubtedly realizing that to do so would result in a loss of flexibility in future negotiations. Instead, he suggested that the Dominican President ought to take the first step by stating what he considered to be a fair distribution. Morales responded by suggesting a division of sixty per cent for the Government and forty per cent for the creditors. For his part, Dawson felt that such a limited sum might prevent the United States from coming to an agreement with the creditors; nevertheless, he was willing to submit the proposal to Washington as soon as Morales was sure that the anti-North American sentiment in the Cabinet had sufficiently subsided. ⁴

In order to assist in diminishing the anti-United States attitude, Morales requested that Dawson meet with Emilio Joubert, a prominent Horacista and the minister designate to the United States, and Finance Minister Velásquez. It was the President's hope that this interview would assure Velásquez that United States "intervention in the customhouses would be conducted in a manner that would offend Dominican pride as little as possible and not destroy the prerogatives of the office

³Ibid. ⁴Ibid.
of minister of finance." Therefore, between December 31 and January 2, Dawson met several times with President Morales, Joubert, Velásquez, and Foreign Minister Sánchez.5

During these discussions, Dawson thought it necessary to reject three proposals which the Dominicans brought forward. In the first place, in order to maintain his freedom of action, he refused to commit himself "either personally or officially" to the proposed forty per cent - sixty per cent division of the revenues. Moreover, the Dominicans sought assurances that Abbott would not be placed in charge if an agreement were reached. Dawson inquired if there were any complaints with Abbott's administration of Puerto Plata; but, he felt that it was necessary to take a strong stand on this point among "other considerations" in order to "take the first opportunity of impressing upon them that we would not take the responsibility involved unless given a free hand to back up our representatives in enforcing a rigidly impartial administration of the customhouses."6 The final proposal came solely from the Finance Minister. Hoping to ease the humiliation of accepting North American intervention in the customhouses, Velásquez suggested some form of joint control. Reluctant to accept this suggestion, Dawson again based his rejection on the unwillingness of the United States to accept responsibility without effective control. Nevertheless, he explained that he personally

5Ibid. 6Ibid., pp. 299-300.
"was not only willing but anxious to leave the Dominican Government with the maximum of administrative freedom consistent with the essential prerequisite." At last, he agreed to consider a draft of the Finance Minister's plan.\(^7\)

Sometime during these preliminary negotiations the question of possible legislative ratification of any agreement providing for United States intervention probably arose. According to Dawson, Morales was unwilling to commit himself to a definite position on this matter. His indecision came from uncertainty regarding his ability to persuade the Dominican Congress to ratify any such proposal immediately. A long deliberation in congress might provide the opportunity for the Government's opponents to revolt. Consequently, the President preferred to delay discussion on the manner and time of submission of any possible agreement to Congress until he was sure that the substance would be agreeable to the Horacistas. Thus, negotiation on this point was deferred for the time being.\(^8\) In spite of divergent viewpoints between himself and the Dominican officials and continuing reluctance on the part of certain members of the Government, Dawson felt, by January 2, that the negotiations had progressed far enough and that opposition had sufficiently abated to wire the Department of State that Morales was willing to request the United States'\(^{\text{7}}\)

\(^{7}\)Ibid., p. 300.  
\(^{8}\)Dawson to Secretary of State, March 7, 1905, No. 118, ibid., p. 351.
intervention in the control of the customs on the basis of sixty per cent-forty per cent distribution of the revenues. 9

The negotiations were progressing better than Dawson had hoped for. Nevertheless, the instability of the political situation in the Dominican Republic convinced him of the necessity of progressing with all due speed. On January 5, he wrote the following to his friend Charles G. Dawes, then President of the Central Trust Company of Illinois:

there is always the dread that the men I have been at so much pains to negotiate with may suddenly be standing up against a wall instead of sitting in the Minister's arm chair. It is a good deal like playing a careful game of whist on the head of a powder keg. Just as you are playing the last card of a grand slam and are reaching for the stakes, bang! and you are lucky if there is enough left of you to begin a hunt for a fresh pack.10

The Velásquez plan for joint United States-Dominican administration of the customhouses, which Dawson had agreed to consider, was transmitted to the United States Legation on January 6. In addition to providing for the United States to be the creditor for all the foreign and domestic debts of the Dominican Republic, it stipulated that the Government in Washington would appoint one employee to each customhouse who would be on equal footing with the collector of customs appointed by the Dominican Government. Over all supervision of the rights acquired by the United States under the agreement

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9 Dawson to Secretary of State, January 2, 1905, No. 100, ibid., p. 299.

10 Dawson to Dawes, January 5, 1905, Dawes Collection, container January-June, 1905, File D.
was to be intrusted to a North American financial agent. Anticipating possible revolution, Velasquez's plan provided that in case of temporary interruption of the regular collection in any port the United States could "assume the exclusive direction of one or more customhouses as long as the causes of the interruption lasts." The agreement was to remain in effect until the Republic's debts had been fully paid, and a monthly report was to be issued over the signatures of both the Dominican and United States officials. 11

Notwithstanding these provisions, in no way was the United States to dominate. The principle of joint control, if not Dominican dominance, was clearly upheld. The United States and Dominican officials would determine which employees were absolutely necessary in each customhouse. All, however, would be appointed and paid by the Dominican Government. Also, either the Dominican Government or the United States financial agent could demand the dismissal of a lax employee. Furthermore, a complete adjustment of the Dominican debt was to be denied the United States officials. Half of those revenues which the Dominican Government had earmarked to be used to pay off the so-called deferred debt, were not to be included in the amount divided between the creditors and the Government. To assure the Dominican administration's freedom to provide for the nation's economic well being, the Government

11 Dawson to Secretary of State, January 23, 1905, No. 107, enclosure 1, FRUS, 1905, p. 310.
retained the authority to alter its fiscal laws in order to promote the improvement of agriculture and domestic industry.\textsuperscript{12}

Surprised that the Finance Minister's proposals offered as many guarantees as they did, Dawson, nevertheless, was determined to reject them. In view of the extensive abuses in the customhouses, the reforms offered were not sufficient. Moreover, not all of the debts were to be adjusted. Rather than break the news of his rejection directly to the Finance Minister, Dawson decided to inform Foreign Minister Sánchez, thereby allowing Velasquez a few days of mediation.\textsuperscript{13}

By Friday, January 6, it had been decided in Washington to proceed further with the negotiations for United States control of the Dominican finances. On that day, Acting Secretary of State Francis B. Loomis sent Dawson a cablegram which constituted the Department's instructions to him for future negotiations. After recounting Dawson's earlier warnings that the Dominican Government would not be able to meet all its obligations, Loomis noted that some claimants who were United States citizens were appealing to the Government to take vigorous action on their behalf and that some of the Republic's European creditors were becoming uneasy about the conditions in the country. He concluded that "these conditions constitute a menace to the Republic itself," and then went on to state that

\textsuperscript{12}\textit{Ibid.}

\textsuperscript{13}Dawson to Secretary of State, January 23, 1905, No. 107, \textit{ibid.}, p. 302.
the only way these dangerous conditions could be removed was if peace were maintained and the revenues collected in such a way as to provide sufficient money to meet both the expenses of government and the amount due the Republic's creditors. The United States would aid in obtaining these objectives provided that conditions would assure the success of the undertaking. To guarantee adequate revenues, government expenditures had to be limited, tariff schedules maintained at their existing levels unless modified with the United States' approval, and all the custom revenues collected by the United States. Forty per cent of the revenues would be turned over to the Dominican Government for its expenses and the remaining sixty per cent would be used by the United States to pay the principal and interest on the Dominican debt as they came due, and to pay the expenses of carrying out the arrangement. At the end of the year, any surplus held by the United States would be turned over to the Dominican Government. In addition, the United States would have to undertake an adjustment of the amount and terms of the entire Dominican debt and to evaluate all claims against the Republic. Dawson was instructed to "present these considerations" in his own way to the Dominican Government.\(^\text{14}\)

In presenting the Department's conditions for the administration of the customs, Dawson decided to work through Foreign Minister Sanchez, whom he knew to be in favor of North

\(^\text{14}\) Ibid.
American "intervention on any reasonable terms." He had decided not to go directly to the President until Velásquez had either accepted or definitely rejected sole control of the customhouses by the United States. Dawson's course was possibly motivated by two considerations. In the first place, he probably believed that Morales would not have accepted the plan so long as Velásquez insisted on joint control. Secondly, Velásquez's outright refusal to accept the conditions, which Washington had laid down, could have placed the Morales Government in the dangerous position of losing the support of the Horacistas.

Sanchez apparently did not raise the question of joint control during his meeting with Dawson on Saturday, January 7. What really bothered him was the proposed division of the revenues on the basis of sixty per cent for the creditors and forty per cent for the Dominican Government. If the Cabinet accepted this distribution, Sanchez assured Dawson, the President and members of the Government would be forced to resign and flee the country. In spite of this dire prediction, Dawson doubted that the rigid position would be maintained after the Foreign Minister had time to reflect.

In his second conversation with the United States Minister, Sanchez did not even refer to the planned distribution of the revenues. However, he informed Dawson that

15 Ibid., pp. 302-303. 16 Ibid.
Velasquez had been notified of the substance of Washington's position and had received it well and was willing to continue negotiations. Therefore, Dawson and Velasquez resumed their conversations. From their first meeting it appeared that Dawson's doubts concerning the rigidity of the Dominican stand on the distribution of funds was not without foundation. Velasquez informed him that a "new and rigidly economical budget" was in preparation. When it was completed, the minimum amount needed by the Government would be known.17

Velasquez's proposed plan for joint control was discussed on Friday, January 13. Dawson assured the Finance Minister that most of the subordinate officials would be Dominicans who would be selected in accordance with the suggestions of the Dominican Government. Nevertheless, the United States had to have a free hand in employing and discharging. In view of this position, a detailed examination of Velasquez's plan made it evident that the plan was unworkable. A new one would have to be formulated. Although not definitely committing himself to anything, Velasquez suggested that Dawson proceed to draft a new proposal.18

In the meantime, President Roosevelt had decided to facilitate the negotiations by ordering Commander Alfred Dillingham to return to the Dominican Republic. Dillingham was chosen because of his "exceptional knowledge" of the conditions in

17 Ibid., p. 303. 18 Ibid.
the Dominican Republic. His instructions were essentially the same as those sent to Dawson. In addition, however, Dillingham was instructed to remind Morales of their interview during the spring of 1904, in which the President had voluntarily offered to establish a customs receivership controlled by the United States in order to provide for the payment of the "recognized foreign claims", funds for the Government, and for the establishment of a sinking fund. To assist in the negotiations, Dillingham was to confer with the leading men of the country if the President and he thought that this would be helpful in gaining support for the proposed customs receivership. Of course, Commander Dillingham was to "work in harmony with" Dawson, and to keep the Minister informed of the conditions in the areas where he traveled.19

After his success in securing a truce between the Jimenista forces in Monte Cristi and the Morales Government, in June, 1904, Dillingham had not lost interest in events in the Dominican Republic. In late August, he wrote to Assistant Secretary of State Loomis expressing his views on the conditions in the Caribbean republic. The Commander expressed the belief that the younger generation of men, many of whom had been educated abroad, were sincerely desirous of establishing a system of good and stable government in their country. Dillingham was convinced "that any country that sees fit to interfere,

19 Secretary of State to Commander Dillingham, January 5, 1905, ibid., pp. 300-301.
to create good government in Santo Domingo, will receive a hearty support of this class of men, and this government intervening, I am sure will have the hearty support of the masses, provided the masses are considered and properly treated."
The country which was rightly destined to interfere and thus introduce good government was the United States. This duty accrued to the northern republic "as the great civilizing power of the world..." He reported that his conversations with foreign civilian and military personnel, indicated that these men believed the conditions in the Dominican Republic had to be improved and that it was the United States' place to take the appropriate action. "What the people of Santo Domingo need to-day," he repeated, "is to be taught to govern themselves; they are absolutely ignorant of what good government means, they have never enjoyed the blessings of good government. . . ."20

Dillingham did not envision the intervention and subsequent civic education to be easily brought about. The "surest and most economical method," he reported, would be the application of an amended form of the Platt Amendment providing for control of the country's finances, with particular attention being given to the control of the customhouses. Once the latter were out of the control of the Dominican politicians, illegal expenditures would stop. However, this would

20 A. C. Dillingham to Francis B. Loomis, August 21, 1904, Miscellaneous Letters, August 21-31, 1904, roll 1221.
also result in depriving many of the leading politicians and military figures of their means of support, thereby making them opposed to the reforms. Consequently, an occupation force of about 5,000 men was suggested. 21

In December, 1904, Dillingham again wrote to Loomis. He had recently read a newspaper report which seemed to indicate an impending revolution in the Dominican Republic. The Commander urged that action be taken to prevent an uprising against the Morales Government. He asked if it were not possible to enter into a treaty with the Dominicans; could not some assurance be given that the United States were interested in stabilizing conditions in the Republic? 22

Commander Dillingham's views were thus not unlike those expressed by Dawson in his despatches to the State Department. It is not surprising, therefore, that the two men found themselves to be essentially in agreement, when Dillingham arrived in Santo Domingo City on Saturday, January 14. Both thought that the instability of the situation made it imperative to act quickly. They determined to concentrate their efforts in the capital. If Morales could depend on the support of Finance Minister Velásquez and other Horacistas in the Government, a trip to the north to converse with the local Horacista leaders would not be necessary. Furthermore, they were of the opinion

21 Ibid.

22 A. C. Dillingham to Francis B. Loomis, December 21, 1904, Miscellaneous Letters, December 21-31, 1904, roll 1233.
that for the time being nothing could be done with the Jimenistas. 23

Arrangements were made for Dillingham's formal presenta-
tion to President Morales at ten o'clock on Tuesday morning, January 17. In the meantime, in a confidential interview, Dillingham reiterated to the President the United States' position. Again, the necessity for financial reform was stressed, and the President was assured that the Government in Washington was motivated solely by the desire to improve the Dominican Republic's welfare. 24

Morales replied that he and his Cabinet, with the exception of Velásquez, were ready to accept the United States' proposal. Provided that he could count on North American backing, the President was even willing to carry out the arrangement without his Finance Minister's support. The topic of conversation then turned to the necessity of economic and administrative reforms. Morales' plans along this line called for the abolition of the army and of the payments to military chiefs, reduction of the number of provinces and officials, improvements of roads and schools, and an increase in the efficiency of the judicial administration. 25 The President requested that, in addition to merely aiding in the restoration of financial stability and the preservation of order, the United States also assist in bettering the industrial conditions

23 Dawson to Secretary of State, January 23, 1905, No. 107, FRUS, 1905, p. 303.
24 Ibid., p. 304. 25 Ibid.
of the Republic. This could be achieved by permitting the removal of existing export duties on cacao, tobacco, and coffee. Both Dillingham and Dawson agreed to recommend the inclusion in the agreement of a clause which would provide for the termination of these duties. Moreover, fearing adverse public opinion and opposition from his Horacista supporters, the president urged the necessity of a quick conclusion of the negotiations.

The formal presentation on the seventeenth was surrounded with military pomp. During the ceremonies, Dawson made it a point to drink a toast to "the health of the President and the Independence of the Dominican Republic." Following the reception, the United States envoys called upon the members of the Cabinet. They were then informed that Velásquez and Sánchez had been designated as commissioners with full powers to treat with the North Americans. In the meantime, Dawson had informed the Finance Minister that the plan submitted on January 6, for joint control of the customhouses was unacceptable and in turn had submitted a draft of an agreement based on the instructions from Loomis.

Prior to Dillingham's arrival, the negotiations between the Dominican Government and Dawson were kept secret. With the Commander's arrival, however, it became common knowledge

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26 On January 16, the Department of State wired Dillingham approval of this provision. Ibid., p. 305.

27 Ibid., p. 304. 28 Ibid., pp. 304-305.
that the Government was contemplating some type of arrangement with the United States. This in turn resulted in the press and the populace demanding more detailed information. Rumors began to spread that the Vice President was about to break with the Government and lead a revolt against it. Moreover, there was a persistent fear that the United States planned to annex Samaná Bay, if not the entire country. According to Dawson, the press charged that Morales and his colleagues were selling out the country without consulting the people. 29

In this apparently explosive atmosphere, Dawson and Dillingham met with Sánchez and Velásquez on January 18. The ensuing discussion indicated that the four men had come to agreement on the essentials. Consequently, the Dominicans prepared a draft agreement based on the plan which Dawson had submitted on the seventeenth. This new set of proposals was completed and discussed on Thursday, January 19. The North Americans "found it necessary to insist upon many modifications in verbiage and detail;" but, an agreement had been reached before the two commissions separated. 30

As was evident from Dawson's previous attitude, Minister Velásquez had to forego the possibility of joint control of the customhouses. Nevertheless, both he and Foreign Minister

29 Ibid., p. 305; Dawson to Secretary of State, March 7, No. 118, ibid., p. 351.

30 Dawson to Secretary of State, January 23, 1905, No. 107, ibid., p. 305.
Sanchez insisted on the inclusion of certain clauses which they thought would protect the sovereignty of their nation, provided for at least token control of the customhouses, and provide sufficient revenues for the expenditures of the government.

In addition to providing for the collection of all the customs and the adjustment of all the debts by the United States, the agreement stipulated that the North American republic would guarantee "the complete integrity of the Dominican Republic." Both Jimenistas and Horacistas agreed on this point. Refusal to accept the clause would have been considered a virtual declaration of the United States' intention to annex the Republic. Dawson and Dillingham assented to the inclusion of this provision "without hesitation or discussion." They felt that President Roosevelt's "recent message to Congress, his verbal statement to Captain [sic] Dillingham just prior to the latter's departure on this mission, and the general tenor of the Department's despatches" justified such action.

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31 This clause is contained in the second paragraph of the preamble. Ibid., p. 311.

32 Dawson to Hay, January 23, 1905, No. 107, Despatches from the Dominican Republic, vol. 13, roll 13. The message to which Dawson referred was evidently the President's annual message to Congress on December 6, 1904, announcing the so-called Roosevelt corollary to the Monroe Doctrine. The reference was probably to the following section: "all that this country desires is to see the neighboring countries stable, orderly, and prosperous. Any country whose people conduct themselves well can count upon our hearty friendship. If a nation shows that it knows how to act with reasonable efficiency and decency in social and political matters, if it keeps order and pays its obligations, it need fear no interference from the United States." FRUS, 1904, p. XLI.
Sánchez and Velásquez refused to consent to the inclusion of a clause which would have forced the Dominican Government to alter its tariffs according to the suggestions of the United States.³³ They were afraid that the clause would be used by the United States to force a revision in the Dominican tariff structure so as to give preferential treatment to North American products. However, it was agreed that the Dominican Government would only institute a tariff or tax reform in agreement with the United States. This, Dawson and Dillingham felt, was in accord with the Department's intention.³⁴

The hope of retaining some control, if only a shadow of control, over the customhouses lingered in the minds of the Dominican commissioners. Sánchez and Velásquez insisted that any commission appointed to adjust the foreign or domestic debt include representatives of the Dominican Government. Employees in the customhouses "sofar as the fulfillment of their duties and the exercises of their rights is concerned," were to be "considered as Dominicans and therefore subject to the laws of the Republic."³⁵ In addition, the Dominican Government was to have a representative in each customhouse

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³³The Department of State had included such a provision in Dillingham's instructions but not in those sent to Dawson. Secretary of State to Commander Dillingham, January 5, 1905, FRUS, 1905, pp. 300-301. Dawson to Secretary of State, January 23, 1905, No. 107, ibid., p. 309.

³⁴Dawson to Secretary of State, January 23, 1905, No. 107, ibid., pp. 309, 312.

³⁵Article 2, ibid., p. 311.
who would watch after his Government's interests. 36

On their part, Dawson and Dillingham were careful to see that this quasi joint control did not interfere with effective administration by the United States. The reasonableness of the request for joint representation on commissions appointed to adjust the debts was not contested by the North American envoys. However, the provision denying virtual diplomatic immunity to the United States appointees in the customhouses was accepted only after considerable discussion and after Dawson and Dillingham were convinced that it was designed to secure "faithful execution of Dominican custom laws and regulations." Moreover, Dawson believed that any abuse of this clause could easily be prevented. Right of inspection was also subject to considerable discussion, but was eventually agreed to on the grounds that the Dominican Government could inspect but could not interfere with the collection of the customs. 37

The Dominican commissioners were also somewhat successful in securing sufficient revenues for the support of their Government. Some modification of the Department of State's original instruction that the division of revenues be on the sixty per cent for the creditors and forty per cent for the Government, was achieved. The agreement stipulated that forty-five per cent would be collected for the benefit of the creditors. Any extraordinary expenses which might arise in connection,

36 Ibid., pp. 308, 311. 37 Ibid., p. 308.
with the collection of the customs would be charged to the portion earmarked for the creditors. Finally, the salaries of all the employees in the customhouses were to be provided for from the fifty-five per cent.38

In reporting the course of the negotiations, Dawson informed the Department of State that Dillingham would personally explain their reasons for deviating from the original instructions and accepting the fifty-five per cent-forty-five per cent division of the revenues. He, however, went on to point out that:

I have given the subject of what would be a safe and reasonable minimum most careful consideration ever since my arrival, and while I have not yet been able to gather all the data necessary for a sound estimate, I think that $75,000 a month for the first few months is as little as they can get along with. Later when the President has been able to dismiss the army and reduce the number of provinces, it may be that $800,000 [annually] will be safe. Necessarily all the reductions can not be enforced immediately. The reform will take time and at best the position of President Morales and his government is bound to be exceedingly difficult for the next year. If he fails the alternative is likely to be very expensive to the creditors and the United States as well as to the property owners of this island.39

Thus it is evident that Dawson believed that the forty-five per cent-fifty-five per cent distribution of the customs revenues was the minimum necessary to provide the Morales Government with sufficient funds to maintain itself in power. This evaluation was based on what the United States Minister considered to be a realistic appraisal of the economic

38 Ibid., pp. 309, 311-312. 39 Ibid., p. 309.
necessities of the Government. Reductions in expenses were necessary but could not be expected immediately. The failure of the Government would lead to a worse situation for the creditors and the United States. If reductions in expenses were necessary, how could a check be placed on governmental expenditures? Just such a check, Dawson believed, was found in the last clause of Article III. He called the Department of State's attention to the fact that this clause by which the

'Dominican Government undertakes to keep its administrative expenditures within the limits of the indispensable necessities of administration,' I believe, not only gives us the power to insist on a reduction of expenditures whenever we may deem it advisable, but it opens the door to a real superintendence of all administrative matters, which in wise hands can be used to great advantage. Its practical effect can be made like that of similar clauses in the financial agreements to which the Government of Egypt is a party.40

Dawson's allusion to the British control of Egyptian affairs in no way indicated that he sought annexation of the Dominican Republic. It would seem that he was again seeking a way in which the United States could effectively lend its aid to the improvement of the financial and administrative conditions in the Republic. The idea that United States control in the Dominican Republic might ultimately follow the pattern set in Egypt by the British was not unique to Dawson. An editorial in The New York Times on January 21, 1905 noted the beneficial influence of British administration in Egypt, and indicated that it seemed as if the Government in Washington intended to follow

[40]Ibid.
a similar course. Furthermore, while one might question whether President Roosevelt envisioned the establishment of a situation similar to that in Egypt when he determined to accept the obligation of the receivership of customs in the Dominican Republic, he had, nevertheless, closely followed and admired British administration in Egypt for sometime.42

Excessive expenditures and insufficient funds might eventually bring down the Morales Government. There was also the more immediate threat that opposition to the convention would result in revolution. To thwart this possibility, it was the design, evidently of both sides in the negotiations, to


Perhaps the example of British control of Egypt was in the back of his mind when he determined to act in the Dominican Republic rather than let the situation there progressively grow worse, with the ultimate possibility of European intervention. In 1903, the German ambassador, Spec von Sternburg, suggested that the United States take the lead in backing an international syndicate which would take control of the finances of Venezuela. Howard K. Beal in his work Theodore Roosevelt and the Rise of America to World Power recounts the President's reaction: "Roosevelt objected strenuously, 'I told him,' the President recounted, 'that at first blush my judgment was very strongly that our people would view with the utmost displeasure any such proposal, because . . . it would not only tend to produce complication among the guaranteeing powers but would pave the way for reducing Venezuela to a condition like that of Egypt,' and that the Monroe Doctrine meant 'of course that no European power should gain control of any American republic.[sic]'" p. 347.
present the opposition in the Dominican Republic with a fait accompli. In part, at least according to Dawson, this was the reason why the question of senatorial ratification was never mentioned by the Dominican commissioners.\(^{43}\) It also explained, Dawson reported, the inclusion of paragraph "a" of Article II: "From and after the date on which this contract takes effect the present customhouse employees shall be considered as acting under its provisions." If the incumbent employees could be considered to be acting under the agreement, the United States had, at least after a fashion, taken charge of the customhouses.\(^{44}\)

With regard to a more definitive re-organization of the customhouses, Dawson advised his superiors that this be done "carefully and deliberately by an experienced man, who should come as soon as possible." Always cognizant of the tenuous position of the Government, he suggested that Monte Cristi should receive an American collector by February 1, the date upon which the convention became effective. Since Puerto Plata was already under the administration of the deputy financial agent, by the application of the Award of July 14, 1904, nothing need be done there. As for the other ports, Dawson saw little harm in allowing them to stay temporarily under the direction of Minister Velásquez. The Finance Minister had instituted some reforms already, and Dawson hoped "that the

\(^{43}\)Dawson to Secretary of State, March 7, 1905, No. 118, \textit{FRUS}, 1905, p. 351.

\(^{44}\)Dawson to Secretary of State, January 23, 1905, No. 107, \textit{ibid.}, pp. 308-309.
desire of getting places under the American management will tend to make the present collectors strictly enforce duties." 45

The initial personnel necessary to take charge of the customhouses, Dawson suggested, should consist of a chief and two assistants. The chief would take charge of the customhouses in the capital, while one of the assistants administered the customhouse at Sánchez and the other took charge of Puerto Plata. The official currently in charge of Puerto Plata would administer Monte Cristi. Macoris, Samaná, and Azua were to be left for later. Until these officials arrived, Dawson planned to have reports made to him. Also, Abbott would be there to give him assistance. 46

The uncertainty of the political situation made both Dawson and Dillingham uneasy, and even the agreement of January 19 could not remove their apprehension. Only the finally signed document could do that. On the nineteenth and twentieth, preparing for any eventuality, Dillingham wired the Departments of State and Navy advising the stationing of naval vessels at Santo Domingo City, Monte Cristi, and Samaná. Commander Dillingham alleged that he did not anticipate an uprising but that the ships would serve to provide communications for the United States Minister if the telegraph were interrupted. 47

47 Ibid., pp. 305-306. Dillingham to Secretary of the Navy, January 19, 1905, telegram, Numerical File 1199, Records of the Department of State, R.G. 59, National Archives, Washington, D. C. This telegram with several others from Rear
On the twentieth Dawson and Velásquez worked to bring the Spanish and English versions of the document containing the agreement into accord. However, since the task of making the final copies could not be completed that night, the document was finally signed on Saturday morning, January 21.48

There can be little doubt that Dawson agreed with Dillingham's request for ships made on the nineteenth and twentieth. In wiring the Department of State of the signing, Dawson noted that some "excitement and criticism" existed. He further indicated that he wished to disarm this opposition "by a friendly attitude as to details;" however, a "firm attitude as to essentials and the presence of force was advisable for moral effect upon malcontents."49 Apparently Dawson was willing to use the naval force for more than mere "moral effect" if it were necessary to accomplish the transfer of the customhouses. Within a few days after the signing of the agreement, Rear Admiral Charles D. Sigsbee, commander of the Caribbean squadron of the United States Navy, outlined for Dawson a possible course of action for the navy to follow. In areas where there might be opposition to the transfer of the customhouses, the

Admiral Charles D. Sigsbee, Commander of the Caribbean squadron of the United States Navy, to the Secretary of the Navy, are to be found bound at the very end of the Numerical File case number 1199. They are bound out of chronological order and were evidently given no specific file number.

48 The document is dated January 20, 1905; nevertheless, it was not signed until January 21. Dawson to Secretary of State, January 23, 1905, FRUS, 1905, pp. 306, 312.
49 Ibid., p. 306.
Dominican Government would take the initiative in landing troops and would be supported by the naval forces under the command of Sigsbee. "This proposition," the Admiral assured, "is not intended to limit the extent to which I may use the force under my command, but rather to assume the policy that might be most acceptable to the people of San Coming [sic] and of the United States." Dawson replied that he agreed with the Admiral's suggestion. He thought that it provided for the "prompt and decisive action which may be necessary to preserve our rights, and at the same time will prevent any adverse criticism."  

By the end of the third week in January, 1905, the first steps toward an United States control of the Dominican customs had been taken. In the initial stages of these negotiations it was Dawson who successfully prepared the way for the signing of the agreement on January 21. After the arrival of Commander Dillingham, it is difficult, if not impossible, to determine, from the documents, whose influence was more important. However, it would seem that the document which was finally signed was based upon the draft which Dawson had presented to Velásquez on the seventeenth.

Although from all reports the views of the two men were in accord, in a long and somewhat rambling letter, dated  

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50 Secretary of the Navy to the Secretary of State, February 2, 1905, (transmitting Admiral Sigsbee's report to the Secretary of the Navy), Miscellaneous Letters, February 1-7, 1905, roll 1238.
January 16, 1906, to Robert Bacon, who had succeeded Loomis as Assistant Secretary of State, Dillingham appears to claim most of the credit for negotiating the agreement for himself. His objective, however, was clearly not to discredit or deny Dawson's part. It was rather to answer the critics of President Roosevelt who were accusing the President of following an unwise course in the Dominican Republic and of intentionally entering into an agreement with the Dominican Government without submitting it for the advice and consent of the Senate. For his part, in his report to the Secretary of State on the course of the negotiations, Dawson expressed his gratitude to the Department for having sent Dillingham. Dawson found the Commander to be "a most agreeable colleague" and reported that Dillingham

has by his energy, tact, frankness, and decision done more than any other American could in so short a time with the members of the Dominican Government, and quick action was essential to success.

If the exact part which Dawson played in the latter part of the negotiations is somewhat unclear, his attitude and objectives are certainly more precisely defined in the documents. He was willing to consider the Dominican sensibilities insofar as he could without weakening the cardinal principle of effective control of the administration of the customhouses by the United


52 Dawson to Secretary of State, January 23, 1905, No. 107, FRUS, 1905, p. 309.
States. The objective of this principle was to assure the collection of adequate sums, thereby enabling the Dominican Government to pay its debts and to introduce reforms.

Dawson, fully aware of the weakness of Morales' position, skillfully conducted the negotiations in such a manner as to neither alienate the Horacista support which Morales enjoyed nor to lose his own flexibility. From the documents it would appear that throughout the negotiations neither Dawson nor Dillingham resorted to any threat of force to persuade the Dominicans to consent to the North American conditions for control of the customs. Indeed, there was little likelihood that they would have had to, for there appears to have been little, if any, determined resistance to this control among the members of the Government. Once the agreement was signed, however, Dawson was more than willing to lend the Dominican Government military support in putting it into operation.

The reports of Dawson's work as Minister in the Dominican Republic were appearing in the newspapers back in the United States to the delight of at least one of his friends. On February 3, Charles G. Dawes wrote

I note with much pleasure comments of the press of the country upon your action of Minister of the United States. I congratulate you on the great opportunity [sic] which is open to you, and upon the international reputation which your successful efforts are giving to you.  

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53 Dawes to Dawson, February 3, 1905, Dawes Collection, container January-June, 1905, File D.
The signing of the agreement of January 21 did not close the opportunities of which Dawes spoke. While Dawson and Dillingham had achieved United States control of the Dominican finances on paper, it was another thing to put this accord into operation.
CHAPTER VI

THE PROTOCOL OF FEBRUARY 7 AND THE MODUS VIVENDI:
JANUARY 27, 1905 - APRIL 26, 1905

As the negotiations leading to the agreement of January 21 drew to a close, the Department of State apparently did not feel that it was being kept fully informed of what was happening in the Dominican capital. Twice on January 20, and once on January 21, Dillingham and Dawson received telegrams requesting more information. Even though they evidently complied with these requests, the substance of the agreement appeared in the newspapers, first in the Dominican Republic then in the United States, before the Department received it. This naturally proved embarrassing for Washington. ¹

In the United States, news of the signing of an agreement first appeared in the late issues of the New York evening papers, on Saturday, January 21. ² The Sunday morning editions, in both New York and Washington, carried virtually complete descriptions of the agreement which had been signed the previous day. ³ The explanation for the leak was rather simple. Hoping

¹ Dawson to Secretary of State, January 23, 1905, No. 107, FRUS, 1905, pp. 306-307.


to quiet the opposition, the Morales Government had confidentially
given out some of the provisions before the entire convention
had been agreed to by the commissioners. The press evidently
obtained this information and printed it. 4

On Monday, January 22, Assistant Secretary of State
Loomis issued a statement to the press intended both to clarify
the position of the United States Government and to forestall
criticism. Loomis reported that the United States had decided
to accept the formal and free invitation of the Dominican Govern-
ment to assist it in its financial crisis. He noted that
"more than one of the great powers" had urged the Administra-
tion either to intervene or to consent to the intervention of
European creditors. "Therefore," Loomis stated, "representa-
tives of this Government and of Santo Domingo have signed a
memorandum of a proposed agreement looking to the American
control of the fiscal affairs, upon the request and with the
consent of the Dominican Government." He further explained
that the United States was neither assuming a protectorate
over the Republic nor guaranteeing its debts. 5 In spite of
the Loomis press release, President Roosevelt came under attack
in the Senate the following day for having exceeded his author-
ity in entering an agreement with the Dominican Republic with-
out the consent of the Senate. 6

4 Dawson to Secretary of State, January 23, 1905, No.
107, FRUS, 1905, p. 308.
Loomis' statement that the accord of the twenty-first consisted merely of a "memorandum of a proposed agreement" hardly corresponded with Dawson and Dillingham's view on the matter. Since Dawson was already making plans for the administration of the customhouses on February 1, there can be little doubt that he considered the agreement which he and Dillingham had signed as binding on the United States. For its part, the State Department claimed that no authorization had been given for the signing. However, it would seem that neither Dawson nor Dillingham considered that they had exceeded their instructions. Dawson reported that he and Dillingham had signed an agreement which "in all essentials... either coincides with the instructions given us, or corresponds as closely as was practicable." It is possible that Dawson and Dillingham understood that they were to sign an executive agreement. And if so, they were evidently not informed to do otherwise by their superiors. Moreover, it appears as if the question of ratification was avoided for fear that the delay might give the opposition in the Dominican Republic time to organize to overthrow the Morales Government. The confusion which developed

8 Dawson to Secretary of State, January 23, 1905, No. 107, FRUS, 1905, p. 308.
9 Munro, op. cit., p. 101.
10 Dawson to Secretary of State, March 7, 1905, No. 118, FRUS, 1905, pp. 351-52.
probably resulted more from the opposition which the agreement of January 21 generated in the Senate rather than from any failure of Dawson and Dillingham to obey instructions or the oversight of State Department officials. When Secretary of State Hay, who at the time was confined to his home because of illness, saw the agreement which Dawson and Dillingham had signed, he recorded in his diary that he "at once wrote to Loomis saying it was a Treaty and nothing less and should be sent to the Senate the moment the text arrived."\(^{11}\) However, ratification was impossible without modification. Therefore, on January 25, Acting Secretary of State Loomis sent Dawson a draft protocol of a new agreement. He was instructed to inform Morales and the Dominican Cabinet that the previously signed agreement was merely ad referendum. Undue publicity was to be avoided during the course of the new negotiations.\(^{12}\)

Essentially, the draft protocol which Loomis sent to Dawson was the same as that signed on January 21. The changes which were made in Washington were probably considered minor and resulted, to a large extent, from the decision to have the agreement become effective only after ratification.\(^{13}\) Nevertheless, these alterations should be noted, for some gave the


\(^{12}\) Acting Secretary of State (Loomis) to Dawson, January 25, 1905, telegram, FRUS, 1905, p. 313.

\(^{13}\) Ibid.
agreement a different complexion while others elicited objections from the Dominican officials. 14

The new protocol made it clear that it was in the national interest of the United States to prevent foreign intervention in the Caribbean republic. Provisions, which were probably thought likely to meet with senatorial opposition or to limit the United States control or to diminish the amount available for paying the creditors, were altered. The explicit statement in the second article of the original agreement that the employees appointed by the United States to serve in the customhouses would be subject to Dominican law was omitted from the proposed draft. The same fate fell to paragraph "a" of the third article of the original which had provided that extraordinary expenses would be paid out of the fifty-five per cent held for the creditors. Article six of the proposed draft added the provision that the Dominican Republic could not increase the "export duties or its public debt without the consent of the President of the United States." Article seven of the original provided that the United States "at the request of the Dominican Republic, shall grant such other assistance as may be in its power to restore the credit, preserve the order, increase the efficiency of the civil administration, and advance to [sic] material progress and welfare of the Republic." This was altered to read "The Government of the

14 Copies of the two agreements appear on pages 311-314, FRUS, 1905.
United States, at the request of the Dominican Republic, shall grant such other assistance as the former may deem proper to restore the credit. . . ." Thus, while the United States might extend additional assistance the amount and type of assistance were left solely to the discretion of the Government in Washington. Finally, the eighth article of the draft provided that the agreement would go into effect only after it had been ratified by the United States Senate.

When Dawson received the Department's draft protocol on January 27, he immediately presented it to President Morales, Foreign Minister Sánchez and acting Finance Minister Lemarche, who was standing in for Velásquez. After signing the agreement of January 21, the Finance Minister had traveled to Puerto Plata and Santiago with the dual objective of forestalling opposition in the northern part of the country to the agreement and of facilitating the transfer of the customhouses to North American control. The Dominican officials were willing to accept the proposed draft and even thought it possible and convenient to have the Dominican legislature ratify the new accord.15

There were, however, some reasons for apprehension. In the first place, it would be impossible, Dawson was informed, to guarantee Horacista acceptance until Velásquez had returned. Far more vexing to the Dominicans was the possibility that the

15Dawson to Secretary of State, February 13, 1905, No. 110, FRUS 1905, pp. 316-17.
United States Senate might not ratify the accord. Concerning senatorial ratification, Dawson could only offer the assurance that President Roosevelt would do everything possible to secure ratification. Moreover, the treasury was virtually empty. This situation of financial embarrassment was the result of the method of collecting the custom revenues. Promissory notes, some not due for as long as two months, were collected in the place of cash. The Government had used these notes as security for loans to meet immediate expenses. All of the promissory notes collected for the month of January had been used up and with the agreement between the United States and the Dominican Government still pending, it would be impossible to obtain a loan. In order to aid the Morales Government over this critical stage, Dawson agreed to try to persuade some local banker to lend the Government the necessary funds, if the State Department did not object to this procedure.  

To achieve this end, Dawson approached Santiago Michelena, a Puerto Rican and an United States citizen, who, in addition to being a prosperous merchant, operated one of the largest banks in the Dominican Republic. Michelena was willing to lend his assistance on two conditions: Dawson would

16 Ibid., p. 318.

17 Although United States citizenship was not conferred on Puerto Ricans until 1917 with the passage of the Jones Act, Michelena apparently was an United States citizen in 1905. Dawson specifically refers to Michelena as an American citizen. Ibid. Also see, Dawson to Hay, February 13, 1905, No. 110, Despatches from the Dominican Republic, vol. 13, roll 13.
have to see that his rights were respected and would have to agree to recommend that he be continued as the banker after the permanent arrangement had been made. Dawson replied that he could give no promises on the latter point. Nevertheless, he did not hesitate to point out that Michelena's "American citizenship, his financial standing and his willingness to help the Dominican Government pending the present negotiations, would certainly all have great weight if it became necessary to select a banker." 18

Dawson's next step was to secure his superiors' approval for any agreement between the Dominican Government and Michelena. In a telegram to the Secretary of State on January 27, Dawson reported that he could secure Dominican assent to the new draft protocol provided that the Department would authorize some means to tide the Government over in its current financial embarrassment. He concluded by explaining that the necessary credit could be obtained if he were authorized to agree to transferring temporarily the collection of the revenues to a banker. 19 On the twenty-eighth, Loomis replied that while the Department of State had no authority to approve the arrangement, there was no objection to it provided that neither the provisions of the protocol nor the rights of the Dominican Improvement


19 Dawson to Secretary of State, January 27, 1905, telegram, ibid. Dawson to Secretary of State, February 13, 1905, No. 110, FRUS, 1905, p. 318.
Company under the Award of July 14 were obstructed. Upon receiving Michelena's consent to the arrangement, Dawson proceeded to draw up a contract which was signed on January 29, by Michelena and the acting Finance Minister.

By this contract, Michelena was authorized, as of February 1, to collect the custom revenues and to direct the employees in the customhouses. In return Michelena was to pay the Dominican Government $75,000 monthly in four equal installments. Since the custom revenues would still be in the form of promissory notes, as these notes came due the banker would apply the sum to eliminating the debt which the Government had thus incurred with him and also pay the salaries of the customhouse employees. Any balance that remained was to be held in trust by Michelena for the Dominican Government "subject to the order of" Dawson. Naturally, Michelena was compensated for his efforts. He was to receive one-half per cent per month interest on all sums due him, two per cent commission each month on the amount collected to cover the $75,000, and one per cent each month for the transfer of that amount. The Dominican Government held itself responsible for the faithful fulfillment of the contract before the United States Minister. The contract itself was to remain in effect at the discretion

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20 Loomis to Dawson, January 28, 1905, telegram, Instructions to Santo Domingo, vol. 1, roll 98. Dawson to Secretary of State, February 13, 1905, No. 110, FRUS, 1905, p. 318.

21 Dawson to Secretary of State, February 13, 1905, No. 110, FRUS, 1905, p. 319.
of the Minister. 22 Once the agreement had been concluded, Michelena began a tour of the Republic in order to arrange for the collection of the custom revenues and the payment of the budget. 23

Dawson later explained to his superiors that he had included the clause which provided for the contract to remain in effect at his discretion in order that he could end his "responsibility should the Department not approve" of his action. He also admitted that this clause provided him with a powerful diplomatic weapon, which could be used to get Velásquez to agree to sign the new protocol. If the Finance Minister were reluctant, Dawson could always threaten to terminate the contract, thus returning the Government to its condition of financial embarrassment. Also, Dawson apparently intended to use the clause, which authorized Michelena to retain the surplus revenues at the United States Minister's direction, as a lever against the Finance Minister. By including this clause, Dawson saw to it that the Dominican Government would remain dependent on Michelena. However, the surplus thus gathered would also act as an aid to the Dominican


23 Dawson to Secretary of State, February 13, 1905, No. 110, ibid., p. 319. Evidently Michelena's assumption of the collection of the customs produced rumors that the United States had taken over some of the customhouses. On February 3, the Department wired Dawson for information on this point. He replied that the rumors were false and probably resulted from a misinterpretation of Michelena's activities. Ibid., p. 321.
Government, by providing a fund upon which it could fall back when the protocol was finally signed. Dawson reported that in his judgment, "Velásquez' signature and the accumulation of a surplus were both absolutely essential to the success of the whole negotiations." 24

In fact, the Michelena contract had achieved more than either merely tiding the Morales Government over in a time of financial embarrassment or providing Dawson with a handy lever to exert pressure on Velásquez to assure the Finance Minister's agreement to the Department's protocol. While Dawson does not report that this was his intention, and perhaps it was not, what in effect he accomplished by the contract was the partial implementation of the agreement of January 21, and a possible springboard for legally furthering United States involvement in the Dominican financial situation. Collection of the customs was now completely out of the hands of the Dominican Government. There had been, of course, no provision for the adjustment of the external and interior debts of the Republic, nor for the payment of the claimants from the surplus. However, the collection was in the hands of an United States citizen whose rights were guaranteed before the United States resident minister. Any interference in the collection could certainly result in the active involvement of the United States Government to protect its citizen's rights.

It is also to be observed that Michelena received a

considerable remuneration for his services. 25 However, aiding him was apparently not one of Dawson's major concerns. It was verbally agreed between Michelena and acting Finance Minister Lemarche that the banker would temporarily suspend the collection of his commission and interest. Dawson approved of this arrangement. 26 However, in conducting the negotiations for the contract, Dawson was careful to follow the Department's wishes and not interfere with the rights of the Improvement Company under the Award. Both Michelena and the Dominican Government were clearly given to understand that the custom-house at Puerto Plata, which was being administered under the Award of July 14, 1904, could not be included in those which would come under Michelena's direction. 27

A few days after the signing of the contract with Michelena, Dawson had another interview with Morales and the Foreign Minister. His purpose was to make known the State Department's decision to make a minor grammatical change in the preamble of the protocol. While refusing to give unqualified approval to the Department's draft, President Morales took advantage of the opportunity afforded by the interview to make some proposed changes of his own. Dawson, insisting on the necessity of accepting the protocol just as it came from


26 Dawson to Secretary of State, February 13, 1905, No. 110, enclosure 2: Minister Dawson to Mr. Michelena, January 29, 1905, FRUS, 1905, p. 325.

27 Dawson to Secretary of State, February 13, 1905.
Washington, refused even to entertain most of the changes. On four points, however, the Dominicans stood fast. First they would not consent to date the protocol as of the nineteenth. Second, to exempt the customhouse employees from Dominican legal jurisdiction would wound national pride and could not be accepted. Third, if the protocol called for ratification by the United States Senate, it must also be submitted for the ratification of the Dominican legislature. Finally, the protocol must stipulate that the agreement would terminate as soon as the debt was paid. These points seemed "more or less reasonable" to Dawson and he, therefore, wired them to Washington. The State Department was willing to agree to the changes which the Dominicans requested. But Dawson was urged to obtain Dominican approval as soon as possible, since Congress was about to adjourn. It proved impossible, however, to rush the Dominicans. Morales insisted that it was imperative to await the return of Finance Minister Velásquez from his trip to the north, lest the Horacistas withdraw their support from the Government.

In addition to the attitude of the Horacistas, another

No. 110, ibid., p. 319.


29 Dawson to Secretary of State, February 13, 1905, No. 110, FRUS, 1905, p. 320.

30 Ibid., pp. 320-321.
possible threat to the Government was the reaction of the Jimen-
istas in Monte Cristi towards the willingness of the Morales
Government to allow United States intervention in the custom-
houses. Negotiations directed towards assuring Governor Arias' 
acceptance of the January 21 agreement or of securing control 
of the port of Monte Cristi, in addition to re-negotiation the 
protocol with Morales, occupied a large portion of Dawson's 
attention prior to Finance Minister Velásquez's return to the 
capital.

On January 25, two days before he received Loomis' 
instructions to renegotiate the agreement, Dawson was informed 
by President Morales that Governor Arias had protested the 
accord and had threatened to resign. If Arias fulfilled his 
threat, a revolt in Monte Cristi was a certainty. Dawson 
immediately took steps to forestall this danger. The United 
States consul at Monte Cristi was instructed to advise Arias 
to await more definite information before going ahead with his 
resignation. Dawson assured that the "interests of Monte 
Cristi will be respected." Admiral Sigsbee and Commander 
Dillingham, who were already on their way to visit the northern 
coastal cities on board the Admiral's flagship the U.S.S. Newark, 
were also alerted to the possibility of trouble in Monte Cristi. 
The danger seemed temporarily to pass when the consul at Monte 
Cristi telegraphed that Arias was willing to wait until he 
saw the full agreement before taking further action. By 
January 27, Sigsbee and Dillingham were on their way to meet
with Arias and give him the full details of the agreement. 31

When they arrived on the twenty-eighth, they quickly got in touch with Arias. The ostensible reason for the Governor's opposition was the failure of the agreement to include any reference to ratification by the Dominican legislature. 32 However, the real reason, Sigsbee reported, was Jimenista distrust of the Morales Administration. 33 Nevertheless, by February 1, Arias was willing to accept the terms of the agreement signed on January 21, without modification. Sigsbee wired the Secretary of the Navy on the second, suggesting "prompt installation of American custom authorities." 34

It is possible that the officials in Washington, considering the problems that had already arisen with Monte Cristi and the fact that Arias was now willing to accept United States control of the customhouse there, decided that since the January 21 agreement could not become operative on

31 Dawson to Secretary of State, February 13, 1905, No. 111, FRUS, 1905, pp. 326-27.


33 Sigsbee to Secretary of the Navy, February 1, 1905, telegram, Numerical File 1199, bound at the end of the file, Records of the Department of State, R.G. 59, National Archives, Washington, D. C.

34 Sigsbee to Secretary of the Navy, February 2, 1905, telegram, ibid.
February 1, as had originally been planned, it was wisest to take control of the customhouse under the only legal means available: the Improvement Company Award of July 14, 1904. On Friday, February 3, the Department telegraphed this decision to Dawson. 35 In spite of Dawson's urging, Morales and his Cabinet proved reluctant to issue the formal request that the United States take over the customhouse at Monte Cristi. They protested that such action would drive Arias into revolt and that it would be better to let Michelena take charge. Dawson, nevertheless, was soon convinced that the possibility of Arias revolting against the Government was not the real reason for preferring Michelena's control of Monte Cristi's customhouse to United States control under the Award. What the Dominicans really feared was that Monte Cristi would be placed under the control of John T. Abbott of the Improvement Company and that this was merely a harbinger of what would come when the protocol was finally ratified. 36 Dawson later informed the State Department that he had slowly come to the conclusion that it is impossible to ignore or overcome the dislike of the Improvement Company, and of all persons who have been connected with it, which is felt by Dominicans of all parties. This hatred originally arose from the widely entertained belief that the main cause of all their present financial troubles was an alleged corrupt alliance between President Heureaux and

35 Dawson to Secretary of State, February 13, 1905, No. 111, FRUS, 1905, p. 328.

36 Ibid., pp. 328-329.
the Improvement Company. This feeling has been exacerbated by the bitter controversies which have continually gone on during the last five years between representatives of the Improvement Company and the various Dominican administrations. While this feeling of distrust is not really directed against Judge Abbott personally, its existence was the principal reason why three months ago the Dominican Government refused to ask the United States to take over Sanchez, Samana, and Monte Cristi customhouses under the award, notwithstanding that the terms offered by Judge Abbott were so advantageous and liberal to this government. 37

Even though he realized that the true cause of the Dominican opposition to the United States controlling Monte Cristi, Dawson refrained from excluding the possibility that Abbott might be placed in charge of the customhouse, since he did not know what position Washington would take. Instead he argued that once the port was in the charge of the United States, it could no longer be used by the Government's opponents as a port of entry for weapons. Moreover, he pointed out that his Government considered control of the port of Monte Cristi under the Award to be essential and was deserving of the confidence of the Dominican Government. Whatever their fears and reasons, the Dominican Cabinet finally consented to make the necessary formal proposal. 38

In his telegram of February 4, informing the State Department of the Dominican Government's "request" that the United States assume control of the customhouse at Monte Cristi, Dawson made it clear that Morales and his Cabinet were afraid that this was merely the first step to complete control by the

37 Ibid., p. 329. 38 Ibid.
Improvement Company when the protocol went into effect. The Department telegraphed back the same day that a naval officer had been instructed to take charge of the customhouse at Monte Cristi. In addition, Dawson was instructed to

assure the Dominican Government in [the] case pending [that when the] arrangement between the two governments is consumated the Santo Domingo Improvement Company will not have possession nor control of the customhouses. The United States itself would collect the revenues and make distribution as contemplated by the pending arrangement.

When Velásquez returned to the capital in early February, he proved even more difficult to deal with than Dawson had anticipated. At first, the Finance Minister refused to consider the draft protocol, insisting on the form of the one signed on January 21. He then attempted to obtain modifications of the draft protocol so that it would contain certain of the guarantees included in the earlier document. Above all, it was essential to include an iron clad guarantee that the territorial integrity of the Republic would be protected. In addition, Velásquez desired to include clauses which would provide for any extraordinary expense to be paid out of the fifty-five per cent reserved for the creditors, and which would assure the appointment of Dominican subordinates in the customhouses. Finally, while the Dominicans were willing to pledge themselves unconditionally not to increase the debt, Velásquez

39 Ibid., pp. 329-330.
thought it unnecessarily offensive to virtually pledge to do so at the behest of the President of the United States. 41

Dawson repeatedly answered that he was not authorized to agree to any changes in the draft protocol. He did try, however, to quiet the Dominican fears on the question of territorial integrity. He stated that the United States was willing to guarantee against European aggression and to disclaim any aggressive intention on its own part; nevertheless, "the United States would not assume the responsibility implied in making a general guaranty of Dominican territorial integrity." When this failed, Dawson consented to telegraph the Dominican position to the Department of State. On the fourth, he wired the Secretary of State that the Dominican Finance Minister wanted a statement assuring the territorial integrity included in the first paragraph of the proposed draft, in addition to the one already included in the second paragraph. 42

Washington thought that this was unnecessarily repetitious and insisted on the original form. However, information that Vice President Caceres had received an alarming wire from Leonte Vasquez, the Dominican consul-general in New York, reporting that the United States Government intended to use the proposed protocol as a means of eventually annexing the Dominican Republic, convinced Dawson that some guarantee on

41 Dawson to Secretary of State, February 13, 1905, No. 110, FRUS, 1905, pp. 321-322.

42 Ibid.
this point had to be included in the agreement. Therefore, on Sunday, February 5, Dawson again wired the Department explaining the adverse effect Vasquez's telegram had had on the Dominican Government. On the sixth, Dawson received permission to include a clause by which the United States agreed "to respect the complete territorial integrity of the Dominican Republic." Dawson found it embarrassing and difficult to continually resist Velásquez's demands for changes in the protocol. On the one hand, Minister Velásquez, Dawson reported, was "a thoroughly honest, patriotic man, whose exceptional integrity has justly earned him the prestige he enjoys among the better classes of Dominicans." On the other hand, neither President Morales nor Foreign Minister Sánchez would disagree with him. Rather, they supported him, fearing that his resignation would result in the lose of Horacista support for the Morales Administration.

In spite of any respect that he may have had for the Finance Minister, Dawson was determined to persuade Velásquez to sign the protocol. To secure this, he decided to exert pressure on the Finance Minister. Dawson was fully aware that

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43 Ibid., p. 322.

44 Ibid. On the question of including a guarantee that the United States would respect the territorial integrity of the Dominican Republic, William Loeb, Roosevelt's secretary, wrote to Acting Secretary Loomis that "the President says of course put in anything the Dominicans want about our not annexing the Island--the stronger the better." William Loeb, Jr. to Loomis, February 6, 1905, Despatches from the Dominican Republic, vol. 13, roll 13.

45 Dawson to Secretary of State, February 13, 1905,
Washington would entertain no more changes; however, on the sixth he again wired the Department, stating that Velásquez would sign provided that the protocol was so altered as to include an effective guarantee of the territorial integrity of the Republic and that the clause providing for the consent of the United States President before the Dominican debt could be increased were eliminated. If by chance, the Department accepted this latter change, the former already having been approved, Velásquez would have to yield and sign. If the Department refused to consent, as Dawson doubtless thought would be the case, the Dominicans then would have no alternative but to accept the protocol as it stood or reject the entire idea of United States intervention in the customhouses. However, if even this failed, Dawson still had one last resort: "an order suspending Michelena's contract."

Dawson received the expected telegram rejecting the proposed alterations on the sixth, and conveyed this information to Minister Velásquez early the next morning. It was evident that the desired effect had been achieved. Nevertheless, the Finance Minister insisted on a further postponement until he consulted with his colleagues in the Cabinet and with

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No. 110, FRUS, 1905, pp. 322-323.

46 Ibid., p. 323.

congressional leaders. 48

The rest of the morning was spent in preparing the English copies of the protocol. Shortly after two o'clock in the afternoon, Velásquez arrived at the Legation and agreed to sign provided that Dawson would consent to answer in writing a letter which stated that the Dominican commissioners believed the only justifiable modifications of the convention signed on January 21 were those stating that the convention was to be considered *ad referendum* and providing for the agreement to terminate as soon as the debt was paid. Dawson agreed. In his reply, he wrote that while agreeing with the Dominican commissioners that the modifications they mentioned were necessary, the United States Government believed that others were also necessary and the protocol as presented by Washington must be accepted without further alteration. Thus, after being absolved of any guilt for not having secured further modifications, Velásquez and Sánchez yielded. The protocol was signed at four o'clock Tuesday afternoon, February 7, and immediately transported by an United States naval vessel to San Juan, Puerto Rico in order to arrive in time to catch the mail boat to New York. 49

Dawson took satisfaction in reporting that, in spite of difficulties, relations between the Dominican officials

48 Dawson to Secretary of State, February 13, 1905, No. 110, *FRUS*, 1905, p. 323.

49 Ibid., pp. 323-324, 326.
and himself had remained amicable. He was convinced that "all Dominican factions" appreciated "that the State Department and its representatives" in Santo Domingo were sympathetic and understood the Dominican susceptibilities. Further he believed that they realized that the United States would administer the protocol in a spirit of selflessness. By "all Dominican factions" Dawson obviously did not mean either all political factions or the entire Dominican population. His statement undoubtedly referred to the various factions within the Morales Government. He was aware of the fact that there were those who would not support the Government's actions. In handling these, he realized the value of a show of force to keep them in line. Two United States navel vessels had been stationed in the harbor at Santo Domingo. Dawson acknowledged that the presence of these ships had had "a powerful moral effect on the rash and ignorant elements, who unhappily are in the majority and who do not yet understand the real benefits the country will derive from the arrangement. . . ."

On February 15, President Roosevelt sent the protocol to the Senate, along with a message giving the background of the situation in the Dominican Republic and the reason which impelled him to take the action that he had. For over a

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50 Ibid., p. 324. 51 Ibid. 52 Message from the President of the United States, transmitting a protocol of an agreement between the United States and the Dominican Republic, providing for the collection and disbursement by the United States of the customs revenues
month, first in the regular session and then in a special session, the protocol remained before the upper house without any sign that it would receive ratification. Meanwhile, in the Dominican Republic the last three weeks of February and the first half of March passed without much change in either the political or financial conditions. Although critical problems did arise, Dawson did his best to minimize their disruptive effects.

Monte Cristi, under the virtually independent Governor Arias, continued to be a potential source of unrest within the Republic. When the Morales Government had consented on February 4, to place the customhouse in that port under the control of the United States by the Award of July 14, 1904, Lieutenant Commander E. F. Leiper of the United States Navy was appointed by Washington as the provisional collector of customs. On Thursday, February 9, Dawson received an alarming telegram from Admiral Sigsbee reporting that Arias would not allow Leiper to take control of the customhouse. Dawson immediately got in touch with the Foreign Minister. Sánchez explained that the mix-up had resulted from an oversight by a subordinate in the Foreign Office, who had failed to notify Arias of the Government's decision to allow the customhouse to be administered by the United States. As soon as the oversight had been discovered, the necessary instructions had been
sent to Arias. Not completely satisfied that this would be sufficient, Dawson requested that Arias be immediately sent another explicit telegram. On Saturday, February 11, word was received that Arias had consented to the transfer of the customhouse to Leiper's control.  

Dawson thought that the misunderstanding at Monte Cristi had, at least in part, resulted from an oversight by the central government. However, he also thought that Arias was probably not without blame. The Governor, Dawson reported, probably had been glad to take advantage of the delay in the transfer to permit friends to disembark cargoes without paying the full duties.  

To Dawson the real value of United States control of the Monte Cristi customhouse was that the port could no longer possibly serve as a base for a revolution against the Morales Government. While there was still talk of a Jimenista uprising in the interior, he believed that these malcontents were without financial means or important political leaders, and that the Government felt competent to handle any local uprising. Dawson, nevertheless, still believed that every precaution should be taken.  

Rumors that President Morales had been opposed to

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submitting the protocol to the Dominican legislature for ratification, proved to be another source of discontent. By February 16, Morales was afraid that these rumors would prejudice the Dominican deputies and he approached Dawson for assistance in disproving them. The President asked for a letter which would state that from the beginning of the negotiations the Dominican chief executive had favored submission of the protocol to the Dominican legislature. The publication of such a letter, Morales hoped, would silence the damaging charges made against him. Dawson willingly agreed to comply with the President's request. 56

Undoubtedly, there were a few tense moments on February 24, when an unsuccessful attempt was made on Morales' life. Dawson reported that five men of Jimenista sympathies were apprehended. He described them as "of the lower classes," and believed that they had little backing. 57 Furthermore, he reported that the ambiguity brought about by the delay in ratification was actually serving to strengthen the position of those who were opposed both to the protocol and to Morales. He informed Washington that some were even claiming that a revolution against the President could count on moral support.

56 Dawson to Secretary of State, March 7, 1905, No. 118, ibid., p. 351.
57 Ibid., p. 352.
from the United States.59

Dawson did his best to dispel any fears Morales might have entertained concerning possible ratification and also attempted to add to the atmosphere of good relations between the United States and the Dominican Republic. He reported that he assured Morales that it was the custom in the United States to call a special session of Congress immediately after the inauguration of the president on March 4, and that this special session would undoubtedly consider the protocol. Dawson also advised Washington to give Morales adequate warning if any length of time was anticipated before ratification, in order that the President could take the necessary precautions.60

In order to give expression to the spirit of friendship existing between the United States and the Dominican Republic, Dawson got Admiral Sigsbee to join with him in taking a conspicuous part in the celebration of Dominican Independence Day, on February 27.61

On the financial side, Michelena continued to collect the customs at those ports not administered under the Award of July 14, 1904. The original contract between the banker and the Dominican Government had been abrogated and a new one signed. Since the arrangement was working well, and undoubtedly

59 Dawson to Secretary of State, March 7, 1905, No. 118, FRUS, 1905, p. 353.

60 Ibid.

61 Dawson to Secretary of State, March 7, 1905, No. 120, ibid., pp. 394-395.
since Dawson no longer needed the contract as a diplomatic weapon to use on Finance Minister Velásquez, the United States Minister was not mentioned as a party to the contract.62 Nevertheless, Michelenas was guaranteed the right to secure redress through diplomatic channels, while the Dominican Government promised to keep expenses below $75,000 a month and to preserve the surplus which was being accumulated.63

The special session of the United States Congress, which Dawson had mentioned, was convened on March 5. But ratification of the treaty had not been accomplished when the Congress adjourned on March 18. To a large extent, senatorial opposition came from what was considered the President's high handed method in trying originally to put the agreement into operation without senatorial ratification. When news of the adjournment reached Santo Domingo on Monday, March 20, the Dominican Government naturally became apprehensive. The situation was not improved when, on the following day, a telegram from W. L. Bass in New York City was published stating that the Senate had rejected the protocol. Meetings openly advocating revolution were held. While his Government took what precautions it could, Morales nervously phoned the United States Legation every hour hoping to learn something definite

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62 Dawson to Secretary of State, March 7, 1905, No. 118, ibid., p. 353.
from Dawson. On Wednesday, March 22, the tension was somewhat eased when The New York Herald's correspondent in Santo Domingo received a telegram from his paper stating that Congress had adjourned; however, no action had been taken on the protocol. Finally, on Thursday, Dawson received word from the State Department. He was informed that the protocol had been favorably reported out of committee and would probably be ratified in the next session.64

At this point it would seem that the already difficult position of the Morales Government daily became more impossible. In addition to the ever present threat of revolution a new problem was added when Michelena, disgruntled over the possibility of not being able to collect sufficient collateral to cover his advances to the Government, threatened to terminate his contract with the Morales Administration. The problem arose out of the Government's earlier practice of granting preferential contracts to some of the larger importers, which allowed them to substitute government due bills for the regular promissory notes.65

More bothersome to the Morales Government than either the threat of revolution or the possibility of losing Michelena's financial assistance was the attitude of the European powers, whose nationals were creditors of the Republic, to the non-

64 Dawson to Secretary of State, March 27, 1905, No. 122, FRUS, 1905, pp. 356-57.
65 Ibid., pp. 357-58.
ratification of the protocol. Dawson reported that an ultimatum and a show of force by a European power would demonstrate to the entire country that Morales no longer had the forbearance of the foreign powers. On Tuesday, March 14, even before Congress adjourned, the Italian crusier the Calabria, under the command of Count Moriundo, arrived at the port of Santo Domingo. The commander and the Italian chargé d'affaires had called upon Dawson in order to learn what the prospects were for the payment of Italian claims under the various protocols that had been signed between the Dominican Government and its Italian creditors. The Italian officials were also interested in learning what effect the protocol of February 7 would have on the earlier agreements. Dawson replied that no specific plan for the payment of the debts had yet been made. Nor would it be possible to determine how much would be paid annually until the amount of the yearly revenues and the extent of the debt had been determined. However, he added that he was sure that the Government in Washington would try to adopt a plan which would be acceptable to the Italian Government. Furthermore, he was willing to transmit any practical suggestions that the Count might wish to make. The latter, however, was satisfied with Dawson's answer and offered no suggestions. On March 20, the Italian ship steamed out of the harbor at Santo Domingo. Instead of heading for Havana, as originally intended, its destination was Kingston, Jamaica. The arrival

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66 Ibid., p. 357.
of the Calabria had produced considerable alarm regarding the Italian Government's attitude. Its withdrawal to the nearer port of Kingston did not offer much solace.\(^{67}\)

Since word of the adjournment of the United States Congress had reached Santo Domingo City, several foreign creditors began exerting pressure on the Government. For example, on the twenty-third, the Belgian charge made a formal demand that the Dominican Government resume payment under an agreement signed between the Government and the Belgian creditors in 1901. The principal Italian creditor, a Mr. Bancalari had been pressing the Morales Government for sometime to allow him to collect those custom revenues which had previously been guaranteed to him. With the adjournment of the Senate, he began to urge that some precaution be taken to prevent the complete lose of the revenues during the coming months.\(^{68}\)

Dawson was fully aware of these difficulties confronting Morales and his ministers. He had kept fully abreast with Bancalari's demand, though he claimed not to have discussed them either with the Italian nor with any member of the Government. Dawson later reported that, at the time, he believed that the "creditors and government would soon reach a point where they would be obliged to come to me with a proposition of a modus vivendi."\(^{69}\)

\(^{67}\) Ibid., pp. 355-357. \(^{68}\) Ibid., p. 357.

\(^{69}\) Ibid.
According to Dawson's report dated March 27, 1905, his expectations were not long in being fulfilled. On Friday morning, March 24, Velásquez requested that Dawson come to the Finance Ministry. When he arrived, Dawson discovered that the Finance Minister, as a result of the strain, was contemplating resigning. He attempted to dissuade Velásquez from this course of action by appealing to the latter's sense of patriotism. Dawson explained that the Finance Minister's resignation would only result in worse troubles for the Dominican Republic. After all, the year in office had provided Velásquez with invaluable experience and moreover, "his proven honesty and patriotism carried weight with foreign creditors and the Dominican people." 70

Velásquez, whether he was persuaded by Dawson's arguments or not, next came to what was probably the real reason for the interview. He asked Dawson to propose some modus vivendi which could be in effect until the protocol of February 7 had been ratified by the United States Senate. In view of his previous experience in dealing with Velásquez, Dawson reported that he was certain that the Finance Minister already had devised some plan of his own. Therefore, he declined to present a plan. 71

True to Dawson's expectations, Velásquez then proceeded to indicate that he was willing to agree to a temporary arrangement which would provide the Dominican Government with forty-five

70 Ibid., p. 358. 71 Ibid.
per cent of the total customs revenues while the remaining fifty-five per cent would be held in trust by the United States Minister, pending ratification or rejection of the protocol by the Senate. Dawson was skeptical that Washington would consent to his receiving any portion of the customs so long as the protocol had not been ratified. Nevertheless, he believed that an alternate depository could be found. If the original plan were not acceptable, Velásquez was willing to name a joint commission. Dawson would be a member of the commission. Again, Dawson doubted that Washington would approve of his involvement in the arrangement. In addition, he found another possible obstacle to the proposed modus vivendi. He could not, Dawson told Velásquez, agree to any accord which might interfere with the Award to the Improvement Company. An agreement along the lines which the Finance Minister had proposed might very possibly do just that. Would the other foreign creditors agree to have the funds earmarked for their payment held in trust while the Improvement Company continued to be paid? Later, in an interview with President Morales and Foreign Minister Sánchez, the same plan was formally presented to Dawson.72

Following his interview with Velásquez, Dawson reported that he, either directly or indirectly through intermediaries, proceeded to sound out the Italian, Belgian, French, and Spanish diplomatic representatives in Santo Domingo with regard to their attitudes towards Velásquez's proposal. In general,

72 Ibid.
these men were favorably disposed to the suggestion. The Italian representative, who was expecting Dawson's call, urged the United States Minister to agree to act as trustee. Although surprised to learn of the plan, the Belgian diplomat, after consulting with his Italian colleague, indicated willingness to accept it provided that the bondholders agreed to the moratorium and that the Improvement Company would also agree to a suspension of its payments. Again, Dawson gave no encouragement on this latter point, but confined himself to pointing out the value of the Improvement Company Award in denying ports to potential revolutionaries and thus preventing rebellion. The French official took the same position as the Belgian representative, while the Spanish envoy apparently agreed without reservation. The major North American creditors, outside of the Improvement Company, were also willing to accept. In addition to ascertaining their general acceptance of the proposed modus vivendi, Dawson also learned from his inquiries that the foreign creditors of the Dominican Republic would prefer the appointment of a single North American to collect the customs at the ports not then being administered under the Improvement Company's Award. To all of these creditors and foreign representatives, Dawson gave no assurances other than that he would submit the plan and the creditors views to Washington. 73

73 Ibid., pp. 358-59.
On Saturday, March 25, Dawson wired the Department of state that under the pressure of foreign creditors and fear of revolution, the Dominican Government was willing to agree to a modus vivendi. The creditors of the Republic, excepting the Improvement Company, would agree not to press their claims, provided fifty-five per cent of the custom receipts were held in trust in New York pending ratification or rejection of the protocol of February 7. The remaining forty-five per cent would go to the Dominican Government. Morales' Government would appoint whomever the United States chose to nominate to administer the southern ports. It would request that the two remaining northern ports be administered under the Improvement Company Award. Dawson urged that "some modus vivendi [was] absolutely necessary." 74

In his written report of the twenty-seventh, Dawson reported that the Dominican Government was reluctant to turn the northern ports over to Abbott or to any one else who had been connected with the Improvement Company, though under the circumstances, even Abbott would be accepted. However, an agreement would have to be reached with the Improvement Company whereby the financial agent acting under the Award of July 14, 1904, would hold in trust fifty-five per cent of the receipts of the ports under his control, with the remaining forty-five per cent being turned over to the Government. 75 Dawson hastened

74 Ibid., p. 359.
75 Dawson to Hay, March 22, 1905, No. 122, Despatches from
to explain that the *modus vivendi* would in no way effect the rights of the Improvement Company under the Award, nor the substantive rights of the other foreign creditors who had claims to collect portions of the revenues of various other ports. The creditors, Dawson explained, would merely be agreeing to temporarily suspend their right of collection pending ratification or rejection of the protocol. 76 Dawson's unwillingness to endanger the Improvement Company's rights was undoubtedly motivated by his belief that any infringement would not receive the Department's approval. 77

A different version of the origin of the *modus vivendi* is given in a letter written on March 13, 1906, by A. E. Coulter, a United States citizen who was a long time resident in the Dominican Republic and manager of the Richmond, Virginia based Habanero Lumber Company. Coulter addressed his letter to Secretary of State Elihu Root, John Hays' successor in the Department of State. Coulter recounts that news of the adjournment of the United States Congress without ratification of the protocol of February 7, had produced rumors and actual open opposition to the Morales Government, and that the representatives of the foreign creditors were preparing to demand that the various customhouses which had


76 Dawson to Secretary of State, March 27, 1905, No. 122, *FRUS*, 1905, p. 359.

77 This is also Munro's opinion. *Op. cit.*, p. 105.
been guaranteed to them under previous agreements be turned
over to them. According to Coulter's letter, on Thursday
March 23, he, Bancalari the chief Italian creditor, and Hamil-
ton Peltz, the correspondent of The New York Herald, were
lunching together. Their conversation centered on the emergency
resulting from the failure of the United States Senate to
ratify the protocol of February 7. During this conversation,
Coulter claims that he suggested that a possible solution
to the problem might be a modus vivendi which would carry out
the basic scheme of the proposed protocol on an informal
basis until the Senate had had another opportunity to ratify
the agreement. Control of the Dominican custom revenues would
be placed in the hands of an United States citizen who would
be nominated by President Roosevelt and appointed by President
Morales. This North American would apportion the revenues to
the Dominican Government for its budget and to the foreign
creditors. Bancalari approved of Coulter's suggestion and
thought that the other foreign creditors would also agree to
accept it. Thereupon, Bancalari and Coulter supposedly called
upon President Morales, who willingly agreed to the scheme.
The two men then proceeded to call upon the German and Spanish
consuls, and the Belgian Minister. All three agreed to refrain
from pressing their claims until the Senate had acted on the
protocol, provided that the proposed modus vivendi could be
placed into operation. Then Coulter and Bancalari called upon
Dawson. Dawson according to Coulter, objected to the planned
modus vivendi because he thought that the Improvement Company would not consent to the plan. Furthermore, he suggested that a commission comprised of United States, Italian, and Belgian representatives would be more acceptable. However, Bancalari refused to agree to this suggestion, stating that only a plan providing for the United States to uphold the collector in his office would be acceptable to the foreign creditors. At any rate, Coulter claimed that Dawson agreed to transmit the plan to Washington. According to Coulter's version, Peltz then wired the entire plan to the Herald, from whence it was transmitted for the first time to the Department of State. On Friday morning, March 24, Dawson supposedly received instructions to wire the Department fully on what was happening in the Dominican Republic. In the afternoon of the same day, Dawson supposedly wired the plan of the modus vivendi, and requested permission to approve of it. 78

From the evidence available, it is difficult if not impossible to reject either version as being a complete fabrication. Dawson's report is certainly the more contemporary and thus might be considered the more reliable. It must be admitted, however, that it is possible to argue that both versions were probably tinged by personal interest. On the one hand, it can be maintained that Dawson's report "assumes the credit of the negotiations for himself, as is natural since he was

the diplomat in charge."79 While this is possibly true, it is also possible that his report merely reflects events as he witnessed them from his vantage point.

The impact of personal interest, however, is certainly more evident in Coulter's letter of March 13, 1906. Coulter was definitely interested in seeing the protocol of February 7, 1905 ratified by the Senate. His company, the Habanero Lumber Company was not a creditor of the Republic; however, the order which Coulter thought would result from the application of the agreement would enable the Lumber Company to develop its holdings of over one and a half million acres. 80 On January 11, 1906, Coulter and another representative of the Habanero Lumber Company called on President Roosevelt. At that time the President apparently told Coulter and his associate that they could aid their own interests and that of the United States by urging their senators to vote for the ratification of the protocol. 81 Coulter claimed that he had spoken to some senators during the time that intervened between January and March, 1906. Furthermore, he stated that he found that the major objection to the protocol among the senators to whom he spoke was their belief that President Roosevelt had exceeded his authority by


placing the agreement into operation through the *modus vivendi* before the Senate had ratified the protocol. The letter of March 13, 1906 to Secretary Root was written, according to Coulter's own admission,

that this plain statement of facts may assist in demonstrating that the President did not instigate the movement, and will refute the criticism of the opponents of the ratification of the treaty that in so doing infringed on the constitutional privileges of the Senate.  

In view of this motivation, Coulter naturally was going to minimize the role of Dawson, the official United States representative, in the arranging of the *modus vivendi*.

In spite of the degree of self interest in back of each report, the Dawson and Coulter versions of the origin of the *modus vivendi* are possibly largely complementary. Coulter's claim that both Dawson and the Dominican Government were aware of the *modus vivendi* prior to Dawson's interviews with Velásquez, Morales and Sánchez on Friday morning, March 24, does not disprove Dawson's version of the story. It does, however, possibly explain where the Dominicans received the idea. Dawson's failure to indicate the interview with Coulter and Bancalari in his report of the twenty-seventh or to wire the Department immediately on the proposed *modus vivendi* is easily explained. On the one hand, Dawson undoubtedly considered it unlikely, as he indicated in his report, that the State Department would be willing to become further involved

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in the financial affairs of the Dominican Republic without the legal basis of the protocol. To do so, he probably reasoned, might only aggravate the senatorial opponents of the protocol. On the other hand, given his belief of the Department's reluctance for further involvement before the ratification of the treaty and his fear that the *modus vivendi* might infringe on the Improvement Company's rights, Dawson probably would not have considered it justifiable to submit the plan without a formal presentation of the plan by the Dominican Government. This, of course, did not come until the twenty-fourth.

The fact that Bancalari was involved with Coulter in formulating the plan would explain why the Italian diplomatic representative was expecting Dawson's visit and why he urged Dawson to act as receiver. However, if Coulter and Bancalari had called upon the Belgian chargé d'affaires, why should have the proposal been a surprise to him when Dawson approached him on the subject? A possible explanation for this conflicting report might be that the Belgian representative in Santo Domingo was also accredited to Havana. Coulter claimed that the Belgian representative was planning to leave Santo Domingo City on the very day that he and Bancalari approached the chargé, the latter was going to return to the Cuban capital. While it is not clear whether or not he changed his plans and stayed, it is possible that if he did leave he did not have time, either fully or even partly, to inform the official left in charge of the Belgian interests of the proposed *modus vivendi*. 
Therefore, on the twenty-fourth, when Dawson got in touch with the Belgian chargé the plan could have been a surprise to him.

Thus, insofar as they cover the events in the Dominican Republic, the Dawson and Coulter reports do not necessarily contradict one another. It is not unlikely that the modus vivendi had its origin in the Coulter-Bancalari-Pletz luncheon conversation on March 23, and that Coulter and Bancalari passed on the idea to the Morales Government. Furthermore, it is possible that the men brought the subject to the attention of the other foreign creditors and even to Dawson.

However, on some points the two versions cannot be reconciled and it appears that Coulter's is incorrect. According to Coulter the news of a proposed modus vivendi was first brought to the attention of the State Department by the Washington representative of The New York Herald, the Herald having received the report from Peltz, its correspondent in the Dominican Republic. The State Department supposedly then wired Dawson for further information. A check of the Miscellaneous Letters of the Department of State for the days of March 21 through March 26, 1905, where any written or telegraphic messages from the Herald's representative should be filed, failed to turn up any such message. Furthermore, an examination of the diplomatic instructions sent by the Department of State to the United States representative in the Dominican capital also failed to indicate the instructions which Coulter claimed Dawson received. It is difficult, if not impossible, to say
whether this discrepancy was caused by a faulty memory on Coulter's part or merely his desire to persuade potential readers that he and not the Roosevelt Administration or its representative in the Dominican Republic really originated the idea of the modus vivendi. 83

By Tuesday, March 28, President Roosevelt had decided to agree to a modus vivendi. On the twenty-ninth, Alvey A. Adee, second Assistant Secretary of State, who was serving as acting secretary, telegraphed Dawson the President's positive reception of the idea of the modus vivendi. The plan outlined in Adee's telegram of the twenty-ninth differed somewhat from that outlined in Dawson's telegram of the twenty-fifth. The President's plan called for the United States Secretary of War to nominate and the Dominican President to appoint men who would administer all the customhouses in the Dominican Republic. Those selected by the Secretary of War were to be "men of capacity and absolute integrity, with some knowledge of Spanish." The forty-five per cent of the revenues collected would be turned over to the Dominican Government. The remaining fifty-five per cent would be deposited in some New York bank, also to be selected by the Secretary of War. If the treaty were

83 Whether or not the Department accepted Coulter's version at its face value, Secretary Root sent a copy of Coulter's letter to Senator Daniel of Virginia. In his cover letter, Root explained that he sent the letter "because it bears upon the subject of our conversation a few days ago. I do not know [sic] the writer but I understand him to be a very clever gentleman. He appears to have a property interest in Santo Domingo which entitles him to our consideration. . . ." Root to Senator Daniel, ibid.
eventually ratified by the Senate this latter sum would then be divided among the Republic's creditors, if it were rejected, the sum would be turned over to the Republic. Dawson was instructed to inform the Dominican Government that the United States agreed to the *modus vivendi* "in order that pending the final disposition of the treaty no change shall take place in the situation which would render useless the consummation of the treaty or bring complications into its enforcement." The agreement was to take the form of an executive agreement. There was to be no reference to duties assumed by the United States *vis-à-vis* the Dominican Republic. 84

From this communique it was clear that the Administration in Washington had decided to reject the idea of allowing the northern ports to continue to be administered under the Improvement Company's Award of July, 1904, and thus, for the benefit of the Company. This decision would seem to indicate that President Roosevelt had decided to follow a new policy with regard to the Improvement Company. 85 Actually, it was in line with the Department's telegram of February 4, instructing Dawson to assure the Dominican Government that under the protocol, the United States and not the Improvement Company would control the customhouses. A further indication of this policy was the appointment of Dr. Jacob H. Hollander, a professor of Political

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85 Munro, *op. cit.*, pp. 105-106.
Economy at Johns Hopkins University and formerly treasurer of Puerto Rico, as the confidential agent of President Roosevelt. 86 The announcement of this appointment was sent to Dawson on March 25. 87 In his letter of March 28, instructing acting Secretary of State Adee to inform Dawson of the acceptance of the Dominican _modus vivendi_, Roosevelt specifically outlined

86 The possibility of sending Hollander to the Dominican Republic in order to study the fiscal conditions of the Republic and to recommend appropriate changes had first come to the attention of the Department of State almost a year before the appointment was made by Roosevelt in March, 1905. In April, 1904, Powell informed the Department that Morales was anxious to have a person knowledgable in fiscal matters to be appointed by the State Department to come to the Dominican Republic and to propose changes in the tariff laws and in the administration of the treasury. In reply to this request, Roosevelt suggested the name of Jacob H. Hollander. Hollander evidently considered the appointment but ultimately declined to accept it in mid-September, 1904. In October, when Dawson was studying the tax structure of the Dominican Republic, he wrote to Hollander asking that the latter suggest some books which would give him a better background in the general topic of taxation and governmental administration. In November, Hollander sent a bibliography to Dawson and noted that he regreted that his academic commitments prevented him from coming in person to the Dominican Republic. Nevertheless, he expressed great interest in the financial and economic conditions of the Caribbean republic. It would appear that from November until his appointment in March, 1905, Hollander had no further direct contact with the situation in the Dominican Republic. Powell to Hay, April 18, 1904, No. 841; Powell to Hay, June 6, 1904, unnumbered, Despatches from the Dominican Republic, vol. 11, roll 11. Dawson to Hay, August 30, 1904, No. 30, Despatches from the Dominican Republic, vol. 12, roll 12. Hay to Powell, April 23, 1904, unnumbered, Instructions to Haiti-Santo Domingo, Haiti, vol. 4, p. 488. Loomis to Dawson, September 22, 1904, No. 24, Instructions to Santo Domingo, vol. 1, p. 19. Dawson to Hollander, October 28, 1904; Hollander to Dawson, November 23, 1904, Miscellaneous Letters, November 14-23, 1904, roll 1229. John Hay to Roosevelt, April 20, 1904, Theodore Roosevelt Papers, Series 1, Letters received April 9-29, 1904, Box 27.

87 Acting Secretary of State (Adee) to Dawson, March 25, 1905, No. 49, _FRUS_, 1905, p. 355.
Hollander's duties. Hollander was to "thoroughly investigate" all financial claims against the Dominican Government, "including the claim of the American Improvement Company." He was to ascertain the conditions under which the loans were made, the amount actually received by the Caribbean republic and the nominal amount of the debt. 

The Dominican cabinet officials were pleased to learn that President Roosevelt had decided to accept the modus vivendi. There was, of course, no objection to the decision to include all the ports under the modus vivendi rather than placing all of the northern ports under the Improvement Company Award. Nevertheless, Finance Minister Velásquez did contest certain provisions of the State Department's telegram. Velásquez argued that an international commission of receivers would better insure acceptance of the modus vivendi by the European creditors than the appointment of a single United States nominee. Also, he desired that the phrase "President of the United States" replace "Secretary of War." The explicit mention of the latter official might leave the Morales Government open to undue criticism. Furthermore, the Finance Minister felt that the functions of the yet to be appointed customs receiver and his assistants should be more specifically defined, and that they should collect only that portion of the

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revenues which were to be held in trust for the creditors. To replace the incumbent collectors and to alter the established methods of collection, he pointed out, would be tantamount to the executive repealing the laws and constitutional provisions by mere decree. He consequently proposed that the North American appointees in each customhouse, in addition to receiving the portion destined for the creditors, merely verify the acts of the Dominican collectors. 89

On the first two points there was little discussion. Dawson explained that his conversations with the representatives of the foreign creditors had indicated that they preferred a single receiver appointed by the United States Government. Therefore, he did not feel justified in transmitting Velásquez's suggestion to Washington. With regard to replacing the phrase "Secretary of War" with the "President of the United States," Dawson agreed to wire the Department of State for permission to make the substitution. The necessary authorization was received on March 31. However, the question of the functions of the receiver of customs and his assistants produced a more lengthy discussion. 90

In reporting to the State Department Dawson acknowledged the correctness of Velásquez's position on the illegality of superseding the incumbent customs officials. Nevertheless, in

89 Dawson to Secretary of State, April 1, 1905, No. 123, FRUS, 1905, pp. 362-363.
90 Ibid., p. 362.
answering the Finance Minister, Dawson maintained that it was not yet the time to define specifically the functions of the United States appointed receiver. He stated that he believed that a receiver, who would appoint the necessary assistants and who would be supported by the Dominican Government, might be able to collect all the legal revenues without regard to special contracts. Thereby, the purpose of the modus vivendi would be successfully carried out. But, the situation was to remain flexible enough to permit modification after the arrival of Hollander. 91

Dawson apparently next exerted mild pressure on the Morales Government. The internal disorders and the presence of the Italian warship the Calabria, which had returned to Santo Domingo on the twenty-eighth, prompted President Morales to seek immediate publication of the modus vivendi. Dawson, however, pointed out that he was authorized to agree to the interim proposal only if the Department's telegram of March 29 were accepted. He thereby effectively cut off further discussion of the details. The Dominican Government acquiesced. President Morales issued the necessary executive decree on Friday afternoon, March 31, and it went into effect the next day. 92

The pressure of circumstances merely forced the members of the Dominican Government to accept the accord without a specific definition of the duties of the receiver and his

91 Ibid., p. 363. 92 Ibid.
assistants. Certainly this problem had not been resolved. On April 3, 1905, acting Secretary of State Loomis informed Dawson that President Roosevelt had selected Colonel George R. Colton, a former collector of customs in the Philippine Islands, as the principal collector at the port of Santo Domingo. Washington had decided that Colton was to receive a salary of $500 per month and was to be assisted by a statistician, an accountant, and a stenographer. All salaries and traveling expenses were to be paid by the Dominican Government.93

Dawson had a lengthy conference with Morales and Velásquez, on Wednesday, April 5. No objections were raised concerning the payment of salaries or the traveling expenses of the United States nominees.94 However, when the discussion turned to the functions of Colonel Colton's deputies in the various customhouses the unanimity of opinion broke down. Morales felt that he himself should appoint, after consultation with Colton, those who were to assist the North American receiver. Velásquez, moreover, again noted the illegality of any attempt to replace the incumbent custom officials or their assistants.95

93 Dawson to Secretary of State, April 6, 1905, No. 125, ibid., p. 367. Colonel Colton came to his new post with seven years experience as collector of customs at Manila and Iloilo. Ibid.

94 With regard to Colton's salary of $500 per month, Dawson noted that the Dominican officials accepted it "although the minister of finance doubtless feels that it is unjust that he himself should receive less than half the amount agreed upon for the American receiver." Ibid.

95 Ibid.
In part, Dawson was willing to accept the President's position. He informed Morales that while the United States would not argue over the matter of the form of the appointments, nevertheless, Colton had to be free to make the actual selection of his own assistants. The Minister also assured Velásquez that Washington would disturb the Dominican officials only insofar as it was necessary to insure the full collection of the duties. This assurance could not have been very comforting to the Finance Minister, when Dawson indicated that the final decision on how this objective could best be attained would have to await the report of a practical expert, who had studied the situation. But, until such a report had been made, Dawson believed that it should be clear to all that deputies with full rights of inspection and regulation, and directly responsible to Colton ought to be stationed in each customhouse. This arrangement would be beneficial to both the creditors and to the Dominican Government. On the one hand, the creditors would be assured of obtaining their full portion under the *modus vivendi*. On the other hand, Colton's assistants would be able to put an end to the preferential contracts held by powerful importers and to prevent the lowering of duties at the various customhouses in order to attract business away from competing ports of entry, thus assuring the Government of its full share also. 96

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Dawson's arguments were apparently convincing, for Finance Minister Velásquez stated that he welcomed the assistance to the Dominican Government and its creditors. Colton would be given a free hand in forming his own organization and would receive every assistance necessary to fulfill his purpose. For after all, Velásquez explained, his and Colton's ultimate objectives were the same. 97

At first sight it would appear that Dawson was in fact maintaining two contradictory positions. While making assurances that the Dominican customs officials would not be disturbed, he insisted that North American officials be appointed in every customhouse. Evidently what he had in mind was a system in which the legally appointed Dominican officials would remain in office; but their actions would be scrutinized by Colton's deputies. Certainly, Dawson was not in favor of replacing the Dominican officials. He fully realized the importance of patronage to the Morales Government. The sudden dismissal of the incumbent customhouse employees, he informed Washington, "would probably give rise to serious embarrassments and even grave disorders. . . ." 98

Velásquez's acceptance of this position also appears to contradict his previous position. However, such is probably not the case. In January, when negotiations first began, it is true that Velásquez was most anxious to obtain joint control

97 Ibid., p. 368. 98 Ibid., pp. 367-368.
of the customhouses. But, this position had been completely rejected by Dawson months before, and to revive it in April would have been futile. Furthermore, the pressure of circumstances had already forced the acceptance of the modus vivendi, which in effect had turned the customhouses over to North American control. Therefore, it is probably that Velásquez was willing to settle for at least titular control of the customhouses with no flagrant violation of the Dominican constitution and no overt disruption in the patronage system.

In April, Hollander and Colton arrived in the Dominican Republic. Hollander came first, arriving on April 10. During the last week of April and the first of May he completed his work in the capital and began to carry his investigation to the provincial cities. Colonel Colton arrived during the last week of April and was presented to President Morales on April 25. Colton and Velásquez immediately got down to discussing the administration of the customhouses. Although the negotiations were evidently conducted primarily by Colton, Dawson lent what assistance he could and attended the meeting between Colton and the Dominican officials. Agreement was finally reached on April 26. Dawson felt that the arrangements made assured efficient collection of all the duties, and would prevent embarrassment for the Government at that time.

and later when the convention came up for ratification. By May 9, Colton had completed all arrangements for the customhouse in the capital and sent his chief assistant to take charge of the customhouses in the other ports of entry.

Thus, four months after the beginning of the negotiations for United States control of the Dominican customhouses and financial affairs some form of this control was, in fact, implemented. Dawson's handling of the negotiations leading to the protocol of February 7 and the modus vivendi would seem to demonstrate that he attempted to smooth the difficult path the Dominicans found it necessary to travel. When the Morales Government found itself short of funds in January, an arrangement was made to tide the Government over this critical stage. When it was possible, Dawson attempted to take into consideration Dominican susceptibilities and to inform the State Department of these. Nevertheless, Dawson was determined to accomplish his goal of placing the customhouses and financial affairs of the Republic under North American control. In achieving this, he was not opposed to exerting diplomatic pressure when necessary. Though, it was never necessary or even considered necessary to use physical force against the Government, Dawson was not in the least opposed to lending "moral support" in the form of United States naval vessels to

100 Dawson to Secretary of State, April 26, 1905, telegram; Dawson to Secretary of State, April 27, 1905, No. 132, FRUS, 1905, p. 370. Dawson to Hay, May 9, 1905, No. 138, Despatches from the Dominican Republic, vol. 14, roll 14.
the Morales Government in its dealings with its opponents.

The period from the signing of the agreement on January 21, to the proclamation of the modus vivendi on March 31, witnessed a changing of the attitude of the Roosevelt Administration towards the Improvement Company. From its privileged position under the Award of July 14, 1904, the Company was relegated to the status of the other creditors by the modus vivendi and by Hollander's mission. Although Dawson did not advise against this course, he was somewhat slow to realize or to advise on the necessity for this change. However, he apparently was not unaware of the need for it. According to Dawson's own admission, he "slowly came to the conclusion that it is impossible to ignore or overcome the dislike of the Improvement Company." This would seem to indicate that he was aware of the dislike but thought it possible to disregard it.

Dawson's failure to realize that continued support of the hated Improvement Company caused his country to be suspect in the eyes of even those who were willing to accept United States intervention in the customhouses, and increased anti-American sentiment, undoubtedly grew out of his belief that the State Department was determined to continue to champion the Company's rights. Indeed, this policy had been made clear to him when the State Department wired its approval on January 28, 1905, to an arrangement which would provide financial assistance to the Dominican Government until a new
protocol could be negotiated and signed. Moreover, to Dawson the Dominican attitude was clearly unwarranted. He reported that the Morales Government "and the foreign creditors have little confidence in Judge Abbott, although I know that personally he deserves it."\textsuperscript{101} Nevertheless, the myopia which Dawson demonstrated in supporting the Improvement Company, in spite of Dominican dislike, opened him, perhaps not unjustly, to an indirect charge by Colton of having contributed to the anti-American attitude in the Dominican Republic.\textsuperscript{102}

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\textsuperscript{101} Dawson to Hay, March 27, 1905, No. 122, Despatches from the Dominican Republic, vol. 13, roll 13.
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\textsuperscript{102} Colton to Taft, June 18, 1905, personal and confidential, Numerical File 1199, bound at the end of the file, Records of the Department of State, R.G. 59, National Archives, Washington, D. C.
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CHAPTER VII
MAINTAINING THE STATUS QUO: NON-INTERFERENCE INTERVENTION
MAY, 1905 - MAY, 1906

On May 9, 1905, Dawson wrote to the Secretary of State requesting a leave of absence. In part this leave was necessitated by his health; in part by his desire to discuss Dominican financial matters with Professor Hollander, who had returned to the United States in early May and was planning to leave for Europe on June 13. Permission for the leave was wired to Dawson on May 20, and shortly thereafter he left for the United States. During the period immediately preceeding this request and in the interval while waiting for permission to leave, Dawson was primarily concerned with matters which might disturb the modus vivendi and in formulating a possible alternate to the agreement of February 7, if the latter should fail to receive senatorial ratification.

The relationship between the Dominican Government and its French and Belgian creditors represented a possible threat to the operation of the modus vivendi. By an agreement signed in 1901, the Dominican Government had promised to pay these creditors $300,000 a year on the amount owed and an additional

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1 Dawson to Hay, May 9, 1905, No. 139, Despatches from the Dominican Republic, vol. 14, roll 14.

2 Dawson to Hay, May 22, 1905, No. 143, ibid.
$10,000 a year to cover the creditor's cost of maintaining agents to look after their interests. The former sum had long ago fallen into arrears. However, up to the time of the modus vivendi, the latter sum had been continually paid at the rate of $833.33 a month. With the proclamation of the modus vivendi, Finance Minister Velásquez decided that the time had come to terminate this payment also. Velásquez reasoned that the modus vivendi obviated the need of the agents entrusted with watching out for the interests of the Franco-Belgian creditors. This task would now be performed by the collector of customs appointed under the modus vivendi. When these creditors objected, Velásquez could only suggest that the sum be paid out of the fifty-five per cent which was being deducted by Colonel Colton.

Dawson realized that the status of the modus vivendi would definitely be endangered if the Franco-Belgian creditors, who were among the largest, were alienated and refused to continue to accept the arrangement. While he could not agree to allow the $833.33 monthly sum to be paid out of the fifty-five per cent held for all the creditors, since the modus vivendi simply provided for the collection of this sum not for its distribution, Dawson attempted to remain neutral in the dispute and refrained from expressing any opinion on the validity

3 Dawson to Secretary of State, May 15, 1905, No. 142, FRUS, 1905, pp. 371-373.
of either the creditors' position or that of the Finance Minister. Instead he suggested moderation on the part of the Morales Government. Dawson reported that he advised Velásquez to have his views presented to the French and Belgian Governments in such a way as "to secure a calm and impartial consideration of them." He thought that the Governments involved would not insist on the payment of the monthly sums if they were convinced that the interests of their nationals were adequately protected under the modus vivendi.5

Dawson's personal views on the matter of the payment of the monthly sum were somewhat different from the calm and disinterested impression that he tried to convey to both the Dominicans and the agents of the Franco-Belgian creditors. He thought that Velásquez really had intended to pay the $833.33 out of the forty-five per cent of the revenues turned over to the Government, but once the modus vivendi was in operation the Finance Minister saw an opportunity to secure an extra $10,000 yearly for strictly internal expenditures and consequently decided to terminate the payments to the creditors. In spite of his convictions on this matter, Dawson thought it unwise to bring this point up in his conversations with Velásquez, particularly in view of the latter's "extreme sensitiveness and impulsiveness and the importance for Colonel Colton's sake of not jeopardizing our cordial relations, at least for

5Ibid., p. 373.
On May 12, President Morales informed Dawson that following the example of the United States Senate, as reported in the newspapers, the Dominican legislature had subjected the protocol of February 7 to amendment. Morales wanted Dawson to look over the amendments and see if they would be agreeable with those being considered by the Senate. The President assured Dawson that he was not interested in securing the amendments but rather in preventing any embarrassment for the Dominican Congress by having its alterations rejected. Dawson replied that while he was interested in aiding Morales secure the ratification of the protocol by the Dominican legislature, he could not enter into a discussion either of the amendments that were rumored to have been considered by the Senate or of those proposed in Santo Domingo. Nevertheless, if a copy of the Dominican amendments were given to him unofficially he would be glad to send them on to Washington.

Although Dawson was unwilling to discuss any amendments, it would seem that he and Morales and possibly Colton discussed a possible alternative to the protocol just in case the latter were not ratified. This alternate plan called for an United States corporation, to be known as the Bank of Santo Domingo and controlled by United States citizens, to refund the

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7 Dawson to Hay, May 13, 1905, No. 141, ibid.
debt of the Republic at its market value, which would be at about thirty-five to forty cents on the dollar. In return for its services, the Bank would receive a financial commission and various concessions including a railroad concession. The bonds issued by the Bank would be secured by all the revenues of the Republic, excluding the municipal taxes. The revenues would be collected by a receiver who would be an United States citizen nominated either by the President of the United States or by the Bank and the President of the Dominican Republic. The receiver would have the authority to appoint other United States citizens as subordinates. For its part, the Dominican Government would agree not to alter its tariff rate or other taxation without the consent of the Bank and the approval of the receiver. Moreover, the Dominican Government would place certain lands at Manzanillo and Samaná bays and at the port of Azua in the hands of the Bank. Whenever necessary, the Bank would, without any formality, turn these over to the United States for use as naval stations.⁸

⁸Colton to Taft, June 11, 1905, personal, Numerical File 1199, bound at the end of the file, Records of the Department State, R.G. 59, National Archives, Washington, D. C. Colonel Colton felt that this plan was superior to that provided for in the protocol of February 7, 1905. He reported to Secretary of War Taft that the plan would immediately place the Dominican Republic "upon a self supporting and safe financial basis" with the North American Bank being interested in aiding the internal development of the country. Colton thought that the problem of the Dominican foreign debt would be completely removed since it would be absorbed by a North American corporation. The embarrassment to the United States Government caused by the necessity of interfering in the internal financial affairs of another country would be removed, and it could relegate its interest to the normal process of protecting the lives and property of its
The substance of the alternate plan was sent to Secretary of War Taft by Colonel Colton. No mention of it is made in any of Dawson's written reports, although it is possible that he may have discussed it with Roosevelt or the Assistant Secretary of State after returning to Washington. The plan itself received less than enthusiastic reception from President Roosevelt. In writing to Hollander about the proposed plan, the President revealed his reason for being wary of it. He wrote, "I am always afraid of seeming to back any big company which has financial interests in one of these South American states, and can only do so under the narrowest restrictions."

Citizens. Moreover, it would be easier for the Dominicans themselves to accept since it would remove the fear of United States intervention. Commercial relations between the two countries, Colton maintained, would be closer and United States citizens would "gradually acquire the Dominican market through the natural business evolution that must follow." The Dominicans would also benefit. The receiver with the vast amount of information available to him could both readily handle the financial transactions of the country and protect the country from fraud. Colton further noted that this plan, contrary to that envisioned in the protocol, would keep the funds in the Dominican Republic rather than draining the Republic of fifty-five per cent of its custom revenues. He maintained that with the depressed condition of the Dominican business, this latter system could only produce further harm to the business community, while the new plan would actually act as a stimulus, by recirculating the money in the country. To Colton another advantage, so far as the United States was concerned, was that the new plan provided for the Dominican Government to place certain lands at Manzanillo and Samaná Bays and at the port of Azua in the hands of the Bank. These lands were to be turned over to the United States without formality, whenever they might be necessary for use as naval stations. Ibid.

Ibid.

and most sharply defined conditions." In view of Roosevelt's attitude, it is difficult to say whether this plan would have been accepted if all other means failed. But such was not the case, and no more reference was ever made to it.

Once back in the United States, Dawson continued his efforts on behalf of the protocol. At eleven o'clock in the morning of June 7, Dawson met with President Roosevelt, presumably to explain the Dominican situation to the President. The report must have interested Roosevelt, for during the course of the interview he asked Dawson to prepare a memorandum on the conditions in the Caribbean republic and suggested that he see Senator John C. Spooner of Wisconsin, a member of the Senate's Foreign Relations Committee. However, shortly after this meeting with the President Dawson left for a trip west.

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12 Since there was no secretary at the Legation in the Dominican Republic who could act as chargé d'affaires ad interim while Dawson was absent, the State Department decided to send Mr. M. Marshall Langhorne to preside over the Legation and Consulate General as deputy consul-general until Dawson returned to his post. Langhorne arrived in Santo Domingo City on June 2, 1905. Acting Secretary of State (Loomis) to General Sánchez, May 23, 1905, FRUS, 1905, p. 374; Langhorne to Hay, June 5, 1905, No. 146, Despatches from the Dominican Republic, vol. 14, roll 14.

13 Appointment book 1905, Roosevelt Papers, series 9, Diaries, 1905-1906, Box 2.

14 It would appear that Dawson's itinerary during this trip included stops in Illinois, Wisconsin, Ohio, and possibly Iowa. Both the death of his mother, who died in the spring of 1905 and was buried in Madison, and his desire to see Senator John C. Spooner may have taken Dawson to Wisconsin. Business interests and political ties probably would have led him back
and the preparation of the report had to await his return on June 27. 15

On July 1, Dawson submitted two memoranda to the Presi-
dent. The longer of the two was ultimately published in
virtually its complete form in the 1905 volume of Papers Relating
to the Foreign Relations of the United States. 16 The second
to Iowa. In Chicago, it is likely that he stopped to visit
shortly with his friend Charles G. Dawes and to discuss their
joint efforts on a biography of President McKinley. On the way
back to Washington, Dawson stopped off in Canton, Ohio, the
home town of the late President, in order to interview Judge
John Day, a close friend of McKinley's and Secretary of State
in the President's cabinet during the Spanish-American War.
While in Canton, Dawson also interviewed some relatives of the
late President. Mrs. Dawson, who was expecting their second
child and who had come back to the United States with their
son Allan sometime before Dawson had returned in early June,
remained in Washington while her husband made his western trip.
Dawson to Roosevelt, July 2, 1905, personal, Despatches from
the Dominican Republic, vol. 14, roll 14. Dawson to Dawes,
July 3, 1905, Dawes Collection, General correspondence, July-
Dec. 1905. Dawson to Spooner, July 11, 1905, John Coit Spooner
Papers, Manuscript Division, Library of Congress, Washington,
D. C. [hereafter cited as the Spooner papers], General Corre-
spondence, 1905, June-September, Container 77.

15 Dawson to Roosevelt, July 2, 1905, personal,
Dawson to Roosevelt, August 9, 1905, Roosevelt Papers, series 1-
letters received August 7-21, 1905, Box 95.

16 "Memorandum on the Dominican Modus Vivendi, Its
Effects Up To The Present Time, And The Reason That Lead To Its Adoption," July 1, 1905, FRUS, 1905, pp. 378-389. The only
deletion from the printed copy concerned the tenuous status of
the modus vivendi. Dawson reported that there were some members
of the Horacista Party who would be willing to see the modus
vivendi modified so that funds would once again come their way.
Moreover, he noted that the "common people are too ignorant to
understand the complicated details of the financial and inter-
national situation." Also those whom Dawson termed "unreconciled
revolutionary factions" were desirous of seeing the modus
vivendi terminated. This section appears on page ten of the
original (Despatches from the Dominican Republic, vol. 14, roll
14), and is deleted from page 381 in the copy printed in FRUS, 1905.
memorandum was marked confidential and only a brief passage, which Roosevelt included in a letter to Spooner, has been printed. Both of these memoranda, which illustrate Dawson's attitude toward the intervention of the United States in the financial affairs of the Dominican Republic, were probably intended for use by the President in his efforts to persuade the Senate to ratify the protocol of February 7. However, since they do not differ from his earlier actions or reports, their potential public character would not seem to detract from their veracity.

Dawson saw international and internal advantages accruing to the Dominican Republic from the _modus vivendi_. He reported that the continual borrowing by the Dominican Government and its practice of offering custom receipts from various ports of entry as security for these debts had led to a situation in the past few years where foreign intervention had been repeatedly "imminent and could not have been long deferred had not the _modus vivendi_ been proposed and accepted." Seizure of the customhouses would only have complicated the problem. Since the principal source of revenue was the custom revenues, the Dominican Government would not have had sufficient funds, and some international agreement in which the United States would have had to take a part would have been necessary. Furthermore, given the small percentage of the debt that

receipts from a customhouse would have paid, the seizure of one or two customhouses by a European power would have been virtually permanent. However, the modus vivendi, Dawson thought, eliminated these vexing international complications. For the first time in five years the creditors had some assurance of receiving their payments. Thus, they were willing to leave the situation undisturbed. 18

Dawson also believed that the internal affairs of the Dominican Republic benefited from the modus vivendi. He pointed out that the "honest and sensible business methods" which Colton had introduced into the customhouses had resulted in an increase in the revenues collected. In spite of the fact that fifty-five per cent of the revenues were being deposited in New York for the eventual payment of the Republic's creditors, Dawson claimed that the Morales Government was realizing more money from its forty-five per cent than it had when it collected the entire amount. This in turn resulted in the Government being able to pay its employees and to pay cash for its necessities. Moreover, now that the threat of internal revolution had been greatly reduced, the Government could devote some of its energies to administrative reforms and internal improvements. The political stability which the country now enjoyed, he maintained, also had a salutary effect on economic developments. Production of tobacco, which had

greatly declined during the revolutionary period, was experiencing a tremendous growth. The acreage devoted to sugar production was also being increased. The cacao industry was prosperous, and ranching was undergoing a revitalization.\(^{19}\)

Dawson also felt that the *modus vivendi* would have an educative effect on the Dominican officials. Colton's administration of the customhouses would serve as an example for the Dominicans. They "would soon become competent to work the machinery themselves..." Confidence in the Government's ability to pay would be restored. Dominicans would replace the foreign collectors. The debt would be re-serviced on favorable terms, "and, finally, the necessity for foreign financial control would disappear of itself."\(^{20}\)

Whatever its advantages, the *modus vivendi* was only a temporary expedient.\(^{21}\) The protocol, however, Dawson maintained, would provide for a secure settlement of the Dominican debt. The provisions of the protocol providing for the collection by the United States of a portion of the revenues which would be divided among the creditors, Dawson believed, adequately met the need of providing the creditors with a sense of security that the debts would be paid. Of course, it would be necessary to divide proportionally among the creditors the sum collected. On this point, Dawson did not foresee any problem developing

\(^{19}\)Ibid., pp. 379-380.  \(^{20}\)Ibid., p. 381.

\(^{21}\)Ibid., p. 382.
with the Dominican or European creditors. They would, he felt, be willing to accept a portion of the fifty-five per cent rather than demand a larger sum. However, he thought that the Improvement Company might cause some trouble if it did not receive the complete yearly payment provided for under the Award of July 14, 1904. It would also be necessary to fix the actual amount of each debt. Here Dawson predicted that two difficulties would arise. On the one hand, an examination of the debts might lead to the conclusion that equity demanded they be scaled down, and, on the other hand, some decision would have to be made concerning the exact proportion of the fifty-five per cent which each creditor would receive. In spite of the difficulties which might arise on these two points, and in view of the fact that the country was still a long way from complete economic recovery, Dawson told the President that he hoped that both would be done, "in justice to suffering and poverty stricken Santo Domingo and to our own character as a high-minded, helpful and courageous government. . . ."22

Dawson concluded his confidential memorandum to Roosevelt by urging against so amending the protocol that the custom collectors would have extra-territorial immunity from the Dominican law. Such an amendment was being considered by

the Senate Foreign Relations Committee. Dawson felt that this
would unnecessarily "wound Dominican national pride and sus-
ceptibilities." He went on to state that

Dominicans have reluctantly reconciled themselves to the
hard necessity of accepting foreign customs collectors, but I doubt whether I could persuade them to confer explic-
itly on these collectors extra-territorial immunity. . . . In substance and in practice the Dominican Government will
concede such immunity without a murmur or a hitch, but the
the [sic] Dominican reading and writing public would bitterly
resent a treaty provision that flagrantly and in so many
words violates their constitution, deprives their country
of one of the most essential attributes of sovereignty and
places it in the eyes of the world in the same category as
Turkey, China, or Morocco. Santo Domingo believes that it
deserves as good treatment in this respect as the European
powers have given Greece.23

To further aid in getting the agreement through the
Senate without offensive amendments, sometime in late July or
early August, Dawson sought out Senator Spooner at his summer
home in Pittsburg, New Hampshire. Dawson explained that he
wanted personally to explain "certain Dominican matters" to
the Senator. Spooner was willing to discuss the Dominican
situation; however, he insisted on the distinction that any
discussion would be on a personal basis and not official basis.

At the end of the interview, Dawson left with the impression
that the Senator understood the "pet prejudices and weaknesses
of the Dominican public opinion" and would be considerate of them.24

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23 Ibid.

24 Dawson to Roosevelt, August 9, 1905, Roosevelt Papers,
series 1--letters received, August 7-21, 1905, Box 95. Dawson to
Spooner, July 11, 1905, Spooner Papers, General correspondence,
1905, June-September, Container 77.

From the brief notation Spooner made on Dawson's letter
of July 11, it would appear that the Senator was not completely
Before returning to Santo Domingo, Dawson made one more effort to remove criticism of the Administration's actions in the Dominican Republic. At the suggestion of the Department of State he called upon Mr. Albert Robinson, an editorial writer for The New York Sun. Dawson, in an ambiguous reference to Robinson, found him to be something of a mugwump, "a man with an anti-imperialist's attitude of mind, though not the opinions of one." In addition, Robinson's knowledge of certain of the events immediately preceding the signing of the protocol were inaccurate and Dawson attempted to correct this. Dawson felt that his conversation with Robinson had resulted in the Sun taking a more objective view of the Dominican situation.25

Although his efforts while in the United States during the summer of 1905 did not help to speed the protocol through the Senate, they illustrate two aspects of his thought. In the first place, there can be little doubt that Dawson supported the principle of United States involvement in the financial affairs of the Dominican Republic. This support was based on two points: the protocol prevented a difficult international

pleased to meet with Dawson. He wrote:

July 11, 1905
About San Domingo,
Came here without invitation awaiting my self, arriving without notice at 9 at night.
Spent an hour or so with him."

problem and the Dominican Republic received benefits from the United States interference. Secondly, Dawson realized that in spite of any benefits which might accrue to the Dominican Republic, interference with its sovereignty was difficult for the Dominicans to accept. Therefore, he was anxious to make this as least offensive as possible.

Dawson and his family arrived back in the Dominican capital on September 10, 1905. Upon his return he found the political conditions "entirely peaceful and satisfactory." The situation remained much the same until mid-October. Then word reached the capital that a revolution was about to erupt in Monte Cristi, and that this uprising would have the financial support of a North American couple named Reader. The rumored uprising never materialized. Nevertheless, the possible involvement of the Readers in the political and financial affairs of the Dominican Republic had already come to the attention of the Department of State. In fact, in September, Dawson had been instructed to report fully on the Readers' machinations in the Caribbean republic and on any connection they might have with the Improvement Company in opposing the protocol of

26 Dawson to Secretary of State, October 19, 1905, No. 177, enclosure 1: Dawson to Admiral Bradford, October 12, 1905, FRUS, 1905, p. 399.

27 Dawson to William Loeb, Jr. (Roosevelt's secretary), September 20, 1905, Dawson's Application and Recommendation File.

February 7, 1905.29

On October 7, Dawson sent the Secretary of State a lengthy report containing the information he had concerning the Readers. He reported that the Readers had their first contacts with the Dominican Government in October, 1904. At that time a friend of President Morales, one Eliseo Pérez, became acquainted with the North American couple while he was in New York. Pérez informed Morales of the Readers' supposed mining interests in Peru and that they were interested in undertaking financial operations in the Dominican Republic. In late December, Mr. Reader came to Santo Domingo and on the twenty-ninth was granted an interview with Morales. At that time Reader presented the President with a plan which called for extensive monopolistic concessions, the leasing of Samaná Bay, and permission to collect all the Republic's revenues. In return the Readers would refund and consolidate the public debt. It was just then that the initial negotiations for the custom's receivership started, and the President referred Reader to the Foreign Minister for further consultation. When Sánchez discussed the matter with Dawson, the latter stated that he knew nothing about Readers' plans nor had he received any instructions from the State Department regarding them. Consequently, he refused to read the plan which Mr. Reader had given the Foreign Minister. In view of the United States Minister's lack of instructions,

29 Loomis to Dawson, September 28, 1905, telegram; Loomis to Dawson, September 29, 1905, telegram, Diplomatic Instructions to Santo Domingo, vol. 1, pp. 71-72, roll 98.
Sanchez returned the plan to Reader, and the latter apparently returned to the United States. In March, Mrs. Reader began to circulate reports that her husband had made a verbal contract with Morales for the adjustment of the Dominican debt, but that it had been dropped because of a protest on the part of the United States Minister made on instructions from Washington.  

The argument that the protocol of February 7, was harmful to the Readers was also used in the Senate as a reason for opposing ratification of the protocol.  

Failing to secure the support of the Morales Administration for their scheme, Dawson continued, the Readers attempted to form some type of an arrangement with the discontented elements in the Republic. They turned to the Jimenistas in Monte Cristi. Sometime in late spring 1905, Reader returned to the Dominican Republic and contacted Demetrio Rodriguez and Desiderio Arias. Dawson reported that Reader, at that time, claimed that he had the support of the Improvement Company. He alleged that the Company was afraid that if the protocol were not defeated the outcome of Hollander's investigation would be detrimental to its interests. Before returning to the United States, Reader had signed agreements with Rodriguez concerning mutual obligations in the event of a successful revolution. 

31 Munro, op. cit., p. 103.  
In his report of October 7, Dawson accepted the validity of the reports that Reader claimed the support of the Improvement Company and that he actually had signed contracts with the Jimenistas in Monte Cristi, but he did not place much faith in the truth of the claim itself. He did not believe that the Improvement Company was really involved in any revolutionary plot against the Morales Government. He thought that Reader fabricated the connection with the Company to explain the possible source of the vast sums that would be necessary to finance any revolution. Furthermore, Dawson was convinced that Rodríguez would not long support Reader's contracts once it became evident that the North American's promises were empty. Rodríguez, according to Dawson, only considered his contracts with Reader "as an anchor to windward in the storm which would follow the defeat of the convention." 33

Although the reports of the revolution supported by the Readers seemed to be baseless, another rumor, which also became current in mid-October, had more substance. This concerned the growing split within the Dominican Government. 34 The Morales Government, as indicated, was a coalition consisting of dissident Jimenistas, who had supported Morales when he broke with Jiménez, and Horacistas. Within the Government, Morales himself was in the embarrassing position of being without any firm supporters, for the Horacistas upon whom he

33 Ibid.
34 Dawson to Root, October 23, 1905, No. 178, ibid.
depended for support distrusted him. So long as the financial situation remained critical and there was a possibility of revolution, the coalition seems to have held together fairly well. However, the *modus vivendi* provided the Government with adequate money and the involvement of the United States seemed to protect the Government from either foreign intervention or domestic rebellion. With the advent of this stability, it would appear that the *Horacistas* became less convinced of the need to allow Morales as free a hand as they had in the direction of the affairs of the country. Instead they began to demand that *Horacistas* fill all the major posts, with the obvious intention of relegating the President to the status of a mere figure head.

The first open indication of the break in the Government came around October 19, when Vice President Cáceres and General Guayabin, both prominent *Horacistas*, arrived at the capital demanding that the Cabinet be re-organized to eliminate those who were not stanch *Horacistas*. On Saturday, October 20, Caceres had a heated interview with Morales, who threatened to resign. Within a day, however, a compromise had been reached. Agreeing to stay, Morales pledged to remove several non-*Horacistas* from the Cabinet and from other important administrative posts. As a result of this agreement, two cabinet ministers and the governors of two provinces were ultimately replaced. Fermine Pérez, Minister of War, and Bernardo Pichardo, 35

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Minister of Posts and Telegraphs, were respectively replaced by Luis Tejera and Eladio Victoria. Carlos Ginebra, governor of Puerto Plata, and Epifania Rodriguez, governor of La Vega, were also removed.  

During the first week of November, the Morales Government uncovered a revolutionary conspiracy apparently centered at the port of San Pedro de Macoris, but possibly extending into the entire southern part of the country. The leaders were Jimenistas or Jimenista sympathizers; moreover, the Dominican Government gave some credence to rumors that the conspirators were receiving aid from interests in the United States who were opposed to the protocol. Steps were taken by the Morales Government to thwart the potential revolution. Known conspirators were arrested; troops were sent against the insurgent strongholds; and Dawson was requested to ask for the stationing of a United States naval vessel at the port of San Pedro de Macoris to discourage a revolutionary assault there. The adversity which the Government faced failed to resolve the differences between Morales and the Horacistas. The Horacistas demanded that the Government continue to bring ever increasing pressure upon the potential Jimenista insurgents. The President, on the other hand, believing that everything was under control, opposed sending out any further expeditions.  

36 Dawson to Root, November 3, 1905, No. 182, ibid.  
37 Dawson to Root, November 18, 1905, No. 185, ibid.  
38 Ibid.
There were also several other indications that the split between the Horacistas and the President was becoming deeper and more permanent. Horacistas began to demand that the protocol of February 7 be so amended as to provide that congressional approval had to be obtained before the executive could ask for assistance from the United States. Since the Horacistas controlled the congress, this would have precluded any attempt by Morales to pull a coup on the dominate party. There was further indication that even with this amendment the Dominican Congress might still refuse to ratify the protocol. Furthermore, the compromise which had been reached between Morales and Vice President Cáceres had not been accepted by some of the other leading Horacistas. Former President Horacio Vásquez, from whom the party derived its name, still opposed Morales and encouraged Cáceres to join with him in opposing the protocol. The Vice President, faithful to his October commitment to Morales, refused to support Vásquez. The result was a division within the Horacista Party. For his part, Morales appeared more determined to re-assert himself. Foreign Minister Sánchez, a staunch supporter of Morales, urged him to do so. An apparent surge in popularity produced by the common belief that he was resisting Horacistas added further impetus for the President to exert himself. Moreover, Governor Arias had sent his secretary to the capital to assure the President that in the event of a Horacista coup, he could depend upon
the support of the forces in Monte Cristi. 39

While the division continued to grow, a tenuous balance of power, brought about by the factionalism within the Horacista Party and the apparent strengthening of Morales' position, temporarily lent a degree of stability to the Dominican political scene. The opposition, which some of the Horacistas had been showing towards the ratification of the protocol, seemed to diminish when Emiliano Tejera, a Horacista leader and early supporter of the protocol, reaffirmed his support of the agreement, promising to continue to work for its ratification. 40

Dawson's actions in dealing with the factionalism were prompted by his main objective: securing the ratification and ultimate implementation of the protocol. In late April, 1905, the State Department had instructed him to do everything that he properly could "looking toward the maintenance of order and the establishment of good feeling on the part of the various political factions." 41 This was the basic strategy he tried to follow, since he considered ratification of the protocol had its best chance if the principal members of the existing Government stayed together. The resignation of Morales, Dawson thought, would lead to a revolution among the anti-Horacista elements in

39 Ibid.
40 Dawson to Root, November 25, 1905, No. 193, ibid.
41 Adee to Dawson, April 25, 1905, No. 59, Diplomatic Instructions to Santo Domingo, vol. 1, p. 58, roll 98.
the country. The withdrawal of Vice President Cáceres or Velásquez from the Cabinet would probably result in an uprising in the northern section of the country, the Cibao, where the Horacistas were in a majority. In either case the chances of the protocol being ratified by the incumbent Dominican Congress would be greatly reduced.42

Dawson's conviction that the interests of the protocol would be served best by keeping the principal members of the Government together did not mean that he was willing to use his influence to persuade Morales to make concessions concerning these or other members of the Cabinet. To the contrary, Dawson refused to be drawn in or to take sides during the factional bickering.43 He either urged moderation or left the Dominicans to work out their own compromise. Moreover, he reported to Washington, that he considered it his official duty to maintain relations with Morales and the minister he chose to name. Dawson saw this not only as his duty, but also as the only politic thing to do "because all Dominican politicians Morales and Sánchez and their immediate followers are the most convinced and determined friends of the pending Convention. . . ." He realized that if he insisted upon Morales retaining men in the Cabinet whom the President did not desire to retain, they


43 Dawson to Root, October 23, 1905, No. 178; Dawson to Root, November 3, 1905, No. 182; Dawson to Root, November 18, 1905, No. 185, ibid.
would be kept. However, to follow this course, Dawson correctly believed, he would be constituting himself virtual director of the Dominican internal politics, a position for which he had no authority. Furthermore, he thought it would probably only lead to the elimination of Morales and his supporters, the one faction that had a definite plan for the payment of the debt with United States aid. To assure Morales that he still enjoyed the confidence of the United States, Dawson had called the President's attention to the fact that his own letter of credence was directed to Morales as president and that there was no indication or intention of withdrawing recognition.

Dawson did not have the same confidence in the Horacista support of the protocol as he did in Morales' support. Velásquez's early reluctance to accept the agreement came to mind and Dawson could not be sure that the Finance Minister and the Horacistas would not reject the protocol if they could find an alternative. Nevertheless, in dealing with Cáceres and Velásquez, he always treated them as important in the internal politics and in the implementation of the agreement and modus vivendi.

The political factionalism that Dawson witnessed in the Dominican Republic caused him to have a rather poor opinion of the Dominican political and military classes. Those who were

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44 Dawson to Root, November 18, 1905, No. 185, ibid.
45 Dawson to Root, November 3, 1905, No. 182, ibid.
46 Dawson to Root, October 23, 1905, No. 178, ibid.
involved in the factional disputes and the accompanying opposition to the agreement with the United States, he believed, were confined to these classes. The military and the politicians, Dawson maintained, were basically opposed to the convention because it would endanger "their salaries and perquisites." While the "more intelligent and patriotic" members of these classes realized that any Dominican Government, to survive, had to prevent the customhouses from falling into the hands of revolutionaries, Dawson reported that "the average politician and jefe forgets about this when his immediate selfish interests are threatened." The mercantile and non-political elements of society, he claimed, remained more firm than ever in their support of the protocol, particularly now that they had had a chance to witness the operation of the modus vivendi under Colonel Colton's tactful administration. But, he wrote the Secretary of State that he was becoming more and more convinced that only the intervention of the United States as envisioned in the agreement could save the Dominican Republic from anarchy and bankruptcy, and prevent its turbulent, fickle, selfishly ambitious politicians from fighting each other for the offices as they have done since the foundation of the Republic.

In spite of what he had to say about Dominican politicians in general, he did not basically have an unfavorable opinion of the members of the Government who were directly involved in this

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47 Dawson to Root, November 18, 1905, No. 185, ibid.
48 Ibid.
factional strife. Vice President Ramón Cáceres he described as "a honest, unambitious, and patriotic individual" who had come to the point of breaking with Morales as a result of pressure from friends. Velásquez, whose honesty and patriotism he had earlier attested to in most favorable terms, in this instance, was "the most aggressive and uncompromising man in the Cabinet. . .

Dawson found Morales to be a determined individual, but unfortunately possessing a characteristic common to many Latin Americans. In his report to the Secretary of State, Dawson wrote:

It seemed to me--although of course I did not say so to President Morales--that like most Latin-Americans he is subject to being diverted from his serious purpose by considerations of personal dignity, especially when he is conscious that his motives are good and unselfish. He is the coolest and most persistent Dominican who is prominent in political life, and yet he came near in this instance to throwing away the results of his two years hard work largely because his feelings were profoundly hurt at what he considered Horacista ingratitude.49

In spite of his refusal to become involved in the partisan factionalism within the Government, Dawson had no intention of allowing a revolution either to endanger the Morales Government or to threaten the operation of the modus vivendi. Therefore, he made an effort to lend what aid he could to the Morales Government and to provide for the possibility of armed intervention, if necessary, to maintain the modus vivendi and prevent the customhouses from falling into the hands of revolutionaries. In early November, when Foreign Minister Sánchez asked Dawson to request the presence of an United States

49 Dawson to Root, October 23, 1905, No. 178, ibid.
naval vessel at the port of San Pedro de Macoris, Dawson made an investigation and while he found that the situation had not yet become serious, the presence of a vessel was justified, in view of the possibility that there might be a sudden deterioration of the political conditions in the Republic. At that time, the Department of State instructed Dawson that while the ships would be sent, marines were not to be landed without a specific request from the Dominican Government that they were needed for protection of the lives of American citizens, and that this protection temporarily could not be provided by the Dominican authorities. Consequently, to justify the landing of United States forces, it would be necessary to be sure that United States citizens were working in the customhouses, if there were none living in a given port city. By November, 1905, North Americans were already employed in the customhouses at Monte Cristi, Puerto Plata and Santo Domingo City. United States citizens were living in Macoris; however, neither this port nor Sanchez or Samaná had regularly employed North Americans in the respective customhouses. Dawson had asked Colonel Colton if a United States employee could be placed in the customhouses in each of these ports. But, there were not enough to fill all the posts.

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50 Dawson to Root, November 18, 1905, No. 185, ibid.
51 Dawson to Root, November 18, 1905, No. 185; Dawson to Root, November 20, 1905, personal, ibid.
52 Ibid.
The mutual distrust between Morales and the Horacistas again surfaced on November 26 and 27, as Morales finally determined to exert himself in an attempt to regain what he considered to be his legal prerogatives. His first move was to demand the resignation of the commandante of the troops stationed in the capital. He claimed that this man was his personal enemy and was organizing the troops to depose him. The President further suggested to Finance Minister Velásquez that the entire Cabinet resign. To both of the propositions, the Horacistas were naturally opposed. They interpreted them as demonstrating Morales' intention to break completely with the Horacistas and form a cabinet of his own supporters. In the meantime, the commandante and Minister of War Luis Tejera had placed themselves at the head of the troops and barricaded the army quarters, refusing to admit any one but Horacistas. 53

In an attempt to reconcile their differences, Morales met with the prominent Horacistas on Monday, November 27. Both sides requested that Dawson be present at the meeting. Again he attempted to maintain neutrality, taking neither side and avoiding any involvement in the internal politics of the Republic. This position did not, however, prevent him from pointing out the failure to reach an agreement or compromise would certainly lead to civil war, which would damage the Republic in the eyes of world opinion, and possibly ruin the Horacista Party. 54

53 Dawson to Root, December 5, 1905, No. 196, ibid.
54 Ibid.
Ultimately, a compromise was reached. The Horacistas sacrificed the commandante. The Minister of War, Luis Tejera, resigned his portfolio and assumed command of the Santo Domingo garrison. Tejera's place in the Cabinet was filled by Carlos Ginebra, who was replaced as governor of the capital city by Lorenzo Aristy. Ginebra's and Aristy's appointments were victories for Morales. However, the Horacistas were perhaps the real victors, for they retained control of the troops stationed in the capital.  

The compromise did not, of course, remove the underlying cause of the factionalism: the mutual distrust between Morales and the Horacistas. The Horacista officials, on their own authority, had already begun what appears to have been a systematic harassment of those either known to oppose, or suspected of being opposed, to them. On the twenty-seventh, Bernardo Pichardo, the former Minister of Posts and Telegraphs, who had recently been driven from the Cabinet by the Horacistas, asked Dawson for asylum. Dawson, however, did not consider that the situation warranted such action. Nevertheless, he did promise to use his influence to avoid violence. Undoubtedly, his refusal to grant Pichardo asylum was largely prompted by the belief that such action might only precipitate further division in the Government, and actually make it appear as if he were siding with Morales against the Horacistas.

55 Ibid. 56 Ibid.
On Saturday, December 2, Dawson received word that Vice President Cáceres, accompanied by an armed escort, was headed towards the capital, reportedly to demand the resignation of Morales. Although doubting that this was really the Vice President's purpose, Dawson thought that popular sentiment might force Cáceres to take such a course. However, upon checking with Velásquez, Dawson learned that Cáceres was indeed coming and that when he arrived, a definite settlement or rupture would be made with the President. In view of the apparently worsening situation, Dawson conferred with Admiral Bradford who was aboard the *U.S.S. Olympia*, which was anchored off Santo Domingo City. Following Bradford's suggestion, Dawson sought an interview with the Governor of the capital and reminded him of the responsibility of the Dominican authorities to protect the lives and property of United States citizens in the event the public order was endangered. 57

Cáceres arrived in the capital that Saturday evening and the next morning Dawson was asked to meet with Cáceres, Velásquez, and Emiliano Tejera. The Vice President assured Dawson that he had no intention of either starting a revolution against Morales or of demanding the President's resignation. Nevertheless, the Horacista leaders stated that they expected Morales to govern in complete accord with the wishes of their party and to dismiss those who were not in sympathy with the party. Foreign Minister Sánchez and Fermin Pérez, Governor of

57 Ibid.
Puerto Plata, were singled out as two officials who fitted into this category. Dawson advised against disturbing the status quo by demands from either side for cabinet changes as long as the protocol was still pending. To do so, he argued, might endanger the continuance in power of the Horacistas and "the most fundamental interests" of the Republic. While Dawson's arguments did not seem to have much affect on the Vice President, the Horacistas informed Dawson that they were willing to guarantee the ratification of the protocol by the Dominican Congress, provided that it were amended to provide that the Congress would be consulted before the Dominican executive could request assistance from the United States.

Next the Horacista leaders and Dawson met with President Morales. Although the question of Sánchez's resignation did not come up directly at the meeting, Velásquez presented a contract whereby Morales would agree to appoint only officials approved by the Horacista Party; in return the party would guarantee its continued support of the President. To assure compliance with the agreement, both sides were to hold themselves responsible for its fulfillment before Dawson. Following his set policy, Dawson refused to become involved in the internal politics by accepting any pledges.

In the meantime, Dawson had wired Washington about the possibility of a break between Morales and the Horacistas, and asked if he were authorized to request Admiral Bradford to land.

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58 Ibid. 59 Ibid. 60 Ibid.
troops to protect the lives of United States citizens and maintain order in the event that Morales were imprisoned, forced to resign, or assassinated. Dawson noted that if the President were forced out "no constitutional[ly] recognized Government would exist to ask American assistance as indicated in your telegram of the eighth of November." This last statement seems to be inaccurate and might indicate that Dawson felt it necessary to intervene if events came to such an impasse that Morales was forced out. In the event Morales were forced out, the Cabinet would still be in existence and Cáceres could have easily succeeded to the position of chief executive. Thus a constitutional government would have continued to exist. This was precisely the position that Dawson later took, when Morales fled from the capital. 

Secretary of State Root, however, was determined that the United States would not get involved in this domestic political factionalism. On Monday, the fourth, Dawson received a reply to his telegram of the previous day. Dawson was instructed to "strongly advise" Morales against breaking with his Cabinet. But, the State Department was "not willing to give instructions to Admiral [Bradford] based on assumption that President and Cabinet will create [a] situation requiring our intervention for the protection of American citizens." Two

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61 Ibid.


63 Secretary of State to Minister Dawson, December 4, 1905,
days later, when the State Department received word of serious disturbances in the Dominican Republic, Root again wired Dawson that the United States could not take part in the factional strife. Troops were not to be landed except "when absolutely necessary to protect life and property of American citizens." This, of course, included protection of United States citizens involved in performing their duties in the customhouses. However, the Secretary of State noted that if the Dominican Government wanted to terminate the modus vivendi, the North Americans employed in the customhouses would receive protection to withdraw. Root obviously had no intention of maintaining the modus vivendi against the Dominican Government's wishes.

Dawson called on Morales after receiving Root's telegram of the fourth. Informing the President that the State Department advised against a break, he urged Morales to meet again with the Horacista leaders. Morales opposed dismissing Sánchez, but asked Dawson to arrange for another meeting with Cáceres, Tejera and Velásquez. Dawson then contacted Velásquez, urging him to meet with the President again, and try to reach a compromise. Dawson promised to "spare no reasonable efforts to see that the latter [Morales] played fair." When the meeting finally took place on the fifth, Dawson was again summoned and again he

FRUS, 1905, p. 408.

64 Secretary to State to Dawson, December 6, 1905, telegram, ibid.
refused to take sides. 65 The apparent outcome of this meeting was Morales' decision to get rid of Sánchez, in spite of his earlier unwillingness to do so. 66

The exit of Sánchez from the Cabinet was not the major event which occupied the attention of either Dawson or the Dominican politicians on Wednesday, December 6. They were rather confronted with a surge of anti-United States sentiment, brought about by a poorly timed transfer of marines from one ship to another. Admiral Bradford evidently assumed that the factionalism between the Horacistas and Morales was about to produce an open rebellion and determined to prepare to land marines if necessary. In all, there were three United States naval vessels stationed off Santo Domingo City. One ship of light draft, the U.S.S. Scorpion, lay at the mouth of the Ozama river. The other two, the cruisers the U.S.S. Olympia and the U.S.S. Des Moines, unable to approach as closely to shore as the Scorpion, lay at anchor a short distance out. In order to supplement the number of men aboard the Scorpion who would be able to land if such became necessary, Bradford ordered landing parties to proceed from the larger ships to the Scorpion. The transfer was scheduled for ten o'clock in the morning of the sixth. 67

66 Dawson to Root, December 15, 1905, No. 197, ibid.
67 Ibid.
Dawson, according to his report, had no knowledge of this planned maneuver until he was informed of it by Lieutenant Commander Jones of the Scorpion at 9:30 on the morning of the sixth. At that late hour, it was impossible to contact Admiral Bradford in time to prevent the transfer of men. However, realizing that the appearance of armed men moving from the cruisers towards the shore line might be misinterpreted as an intended landing, Dawson rushed to inform Velásquez, Cáceres, and Morales of the true destination of the marines. Initially, the Dominicans did not seem to think that the movement would produce any undue excitement in the capital. However, as the four men sat in the President's office discussing the meeting of the previous day and the decision to replace Foreign Minister Sánchez, the Minister of War rushed in to announce that twelve boats filled with armed men had left the Olympia and the Des Moines, and were apparently preparing to land. In a few minutes, another official burst into the room with the news that a band of armed men was entering the Government Palace. These men, commanded by the commandante of the city, were under the impression that Morales and Sánchez had called upon the North American troops for support in the dispute with the Horacistas, and consequently had come bent on killing the President and Foreign Minister. 68

Upon hearing that the Palace was being invaded, Vice President Cáceres, according to Dawson, ran to the door saying

68 Ibid.
that he washed his hands of all responsibility for what might happen. Dawson, however, attempted to calm Cáceres by pointing out that these were the Vice President's men, and that he could not shirk responsibility for their actions. He further offered to go out with Cáceres and assure the commandante and his men of the pacific intention and true destination of the landing parties. The appearance of Cáceres and Dawson successfully halted the group, and the men were persuaded to withdraw.

Dawson, Emiliano Tejera, and Velásquez then hurried to the city wharf. 69

In the street, men, young boys, and women were rushing towards the water front determined to defend the capital against what they believed to be an imminent North American invasion. In some instances the anti-Yankee sentiment of the populace resulted in threats against the lives of United States citizens and those Dominicans in their employ. At the wharf, Lieutenant Commander Jones met Dawson, and Tejera and Velásquez. Dawson had Jones repeat to the two Dominicans, and then to the commandante who again appeared on the scene, what instructions had been given to the troops that had been moved to the Scorpion. With the officials at least assured that no invasion was contemplated, Dawson then agreed to arrange for the return of the troops from the Scorpion to the other ships, provided that the Dominicans would guarantee the safety of United States citizens living in the capital. While Lieutenant Commander Jones went

69 Ibid.
off to contact Admiral Bradford, Dawson, exhibiting what must have been considerable courage and disregard for his own safety, remained in the office of the port commander. About one o'clock in the afternoon, Dawson went out to the Scorpion to meet with Bradford and to arrange for the withdrawal of the troops. By late afternoon, calm had been restored to the city and the troops returned to the Olympia and the Des Moines.70

Once the excitement had died down, Dawson turned again to the problem of Sánchez's removal from the Cabinet. Earlier in the day, Morales had asked Dawson to inform the Foreign Minister that his resignation would be sought. In this way the President would be spared the embarrassment of confronting his loyal supporter and, in addition, it was felt that Dawson, under the circumstances, would probably be the only one who could find Sánchez. Upon returning to the Legation, Dawson found the Foreign Minister waiting for him. Taking the news well, Sánchez offered to resign, provided his safety was guaranteed and that he would be given a foreign post. Morales agreed to these terms. However, Sánchez's premature publication of the conditions of his resignation led to further division of the Cabinet and the threat on the part of the Minister of the Interior to have the former Foreign Minister arrested.71

Dawson's own attitude to the Sánchez matter was simply to see that Sánchez left the country as soon as possible following his resignation. Although Sánchez, who felt his life

70Ibid.  
71Ibid.
endangered, asked for asylum in the United States Legation, Dawson refused to become involved. To do so, he believed, might convince Cáceres that he did not enjoy the United States Minister's trust, thereby endangering Dawson's own moral ascendency over the "simple minded, slow thinking, loyal and brave though violent and inexperienced" Vice President.\textsuperscript{72} Granting asylum to Sánchez might also give the impression that Dawson was siding with the \textit{Horacistas}' opponents. The sooner Sánchez left, the sooner a continuing source of friction between Morales and Cáceres would be removed.\textsuperscript{73}

The events of the last week of November and the first week of December further strengthened Dawson's conviction, which he had expressed in his July memorandum to President Roosevelt, that the \textit{modus vivendi} rested on insecure foundations. Endemic civil war and partisan rivalries had eroded the authority of government officials and party leaders over their followers. This shortcoming became particularly evident in time of crises. In addition, the leaders themselves, Dawson believed, demonstrated a political ineptness. He reported that he was more convinced than ever the Dominican statesmen—even the best of them—lack the training which is valuable in the practical conduct of a modern Government, and that a spirit of respect for law, order and regular responsible administration is almost absent. Some of them talk fluently, intelligently and reasonably on the subject, but it is mere theory. In times of stress they practically revert to more primitive ways of thinking and acting.

In a word they are like children and plain speaking, coupled with a careful observance of the amenities, is

\textsuperscript{72}Ibid.  \textsuperscript{73}Ibid.
necessary in dealing with them. They are prone to ask for foreign advice when they get into snarls, but are apt to misconstrue the spirit in which it is given, and to rush to the conclusion that the foreigner is either with or against their particular faction. Instinctively they recognize their own limitations, although their Spanish pride will never let them explicitly admit it. When advice is given, they usually act on it, but never admit that they do so. They are more concerned with the form than the substance, offering in this a curious contrast to Americans and Englishmen. Though in their hearts they may hate and fear us, at bottom they have a singularly implicit belief that we do not lie, which governs their actions except when their suspicions are accidentally aroused or when they lose their heads. . . . 74

Following the excitement of the sixth and the storm over the resignation of Sánchez, a temporary calm fell over Dominican politics. Emiliano Tejera was appointed to be the new Foreign Minister, a choice which Dawson thought was excellent. 75 Vice President Cáceres again departed for the northern part of the country, leaving affairs in the capital in the charge of the President and the Cabinet. 76 All things considered, Dawson reported that he was daily becoming more convinced that Morales and the Horacistas had finally come to a working agreement. 77

Actually the calm was deceptive and Dawson's confidence poorly founded. By the twenty-first, rumors were circulating that Cáceres was headed for Puerto Plata to remove the non-

74 Ibid.
75 Dawson to Secretary of State, December 20, 1905, No. 198, FRUS, 1905, p. 409.
76 Dawson to Secretary of State, December 20, 1905, No. 199, ibid., p. 410.
Horacista governor of that province, Fermin Pérez. Though the rumors apparently lacked substance, Governor Pérez precipitated a show down by attempting to arrest the commander of the port who was a Horacista. The result was that Morales himself issued a decree removing Pérez. 78

If Dawson or any of the Horacistas construed Morales' action against Pérez as indicating the President's complete submission to the Horacista Party, they were sorely mistaken. On Sunday, December 24, about seven o'clock in the evening, Morales casually left the capital on the pretext of attending a Christmas Eve dinner. Two or three miles from the city he was met by a band of twenty-five or thirty men. The President and his associates then proceeded to take several government horses from a nearby pasture and rode off to the west. Morales' intention was to setup a temporary capital, dismiss the Cabinet and form another one which would be loyal to him. 79 Unfortunately for Morales, his active participation in the coup was thwarted when he fell from his horse on December 25, and broke his leg. 80

Horacista and Jimenista reaction to the President's move crystalized quickly. By ten o'clock on the evening of the twenty-fourth, Morales' flight was known in the capital. Early

79 Ibid., pp. 538-39.
80 Dawson to Secretary of State, January 16, 1906, No. 203, FRUS, 1906, Part 1, p. 544.
the next day about a hundred government troops were sent after him. Vice President Cáceres was summoned back to the capital by the Cabinet to take charge of the executive and Congress was convened in order to impeach the President. In the meantime, Morales had been joined by local Jimenista leaders and there was a simultaneous uprising by the Jimenistas in Monte Cristi. The Jimenista forces received re-inforcements and supplies at the Government's expense when the Dominican gun boat Independencia defected to Monte Cristi while on a supply mission to the port of Sánchez.

Within a week, it became apparent that the combined Morales coup and Jimenista uprising were doomed to failure. On January 2, the Jimenista forces launched attacks against Puerto Plata and Santiago. In both instances the Government's forces successfully defended their positions, and in the attack against Puerto Plata, the Jimenistas lost General Demetrio Rodríguez, one of their most capable leaders. The inability of the revolutionaries to gain control of any customhouse, or to obtain supplies from the outside, coupled with Morales' disability and the effective and prompt action of the Cabinet probably helps to account for the quick failure of the revolution.

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81 Dawson to Secretary of State, January 2, 1906, No. 202, ibid., pp. 538, 540.
82 Ibid., p. 540.
83 Dawson to Secretary of State, January 16, 1906, No. 203, ibid.
At any rate, by January 3, Dawson had received a letter from Morales asking the United States Minister to intervene on his behalf in return for which he promised to resign and go into exile. Despite the President's flight and intrigues with the Jimenistas, which constituted a breach of his earlier promises not to break with the Horacistas and plunge the country into revolution, Dawson decided to use his influence in an effort to save Morales' life and bring the insurrection to an end without further damaging the reputation of the Dominican Republic "in the eyes of the civilized world." Therefore, he approached Foreign Minister Tejera and Vice President Cáceres on the possibility of a guarantee for Morales' life, in return for the President's resignation and exile. After initial reluctance prompted by doubts on the legality of accepting a president's resignation while he was under an indictment of impeachment, Cáceres agreed to the arrangement. Thereupon, Dawson contacted the Spanish and French chargés d'affaires, M. Flandrin and Sr. Albinana, and asked them to accompany him to Cáceres' office in order to receive the Vice President's verbal promise to the conditions. Once this had been accomplished, Dawson and the other two diplomats began the rather long and difficult process of contacting the fugitive Morales. Finally, on the night of January 11, the Spanish charge d'affaires located the President near the capital and escorted him to the city, where he took

84 Dawson to Root, January 16, 1906, No. 203, Despatches from the Dominican Republic, vol. 15, roll 15.
asylum in the United States Legation. Once there, he submitted his resignation, and Dawson transmitted it to the Cabinet. Throughout the next day, Flandrin and Albinana stayed with Morales, while Dawson made arrangements for the former president's exile. Early that afternoon, the injured Morales, accompanied by Dawson, Flandrin, Albinana, and Foreign Minister Tejera, left the United States Legation and headed for the wharf. The Government supplied a strong guard as a precautionary measure against any demonstration either favorable or hostile to the ex-president. From the city wharf, Morales was carried out to the U.S.S. Dubuque, which took him to San Juan, Puerto Rico. 85

By the middle of January, the major part of the insurrection was over. On the fourteenth, the Independencia had surrendered. Furthermore, before going into exile, Morales had given Dawson a note, at the latter's request, to transmit to the Jimenista leaders in Monte Cristi, calling upon them to lay down their arms. The reception of this note and the advance of government troops probably prompted Governor Arias to agree to surrender on the bases of a restoration of the virtually autonomous conditions which had existed in the province prior to the revolution. The Government, desiring to terminate once and for all this independent status, refused to grant these terms. A prison break, staged by the Horacistas who had been jailed in Monte Cristi and their seizure of the citadel, coupled with the arrival of government troops persuaded Arias and his

85 Ibid.
major supporters to take refuge on the United States naval vessel stationed at the port. 86 Although guerrilla warfare continued for sometime afterwards in the province, with the flight of the principal Jimenista leaders from Monte Cristi, the major threat to the Government ended.

Once the revolution was all but over, Dawson's main anxiety was for the continued stability of the Cáceres Government. The insurrection had been less damaging to the Government than previous uprisings; nevertheless, as a result of the revolutionary disturbances, the Government had found it necessary to enlarge the size of the military forces under the commands of the various provincial governors. Dawson hoped that these forces would be reduced as soon as possible, lest the governors use their increased forces to weaken the central government. 87

There was also the danger that the continuing factionalism within the Horacista Party, which in part was now caused by the dislike of some for Finance Minister Velásquez and President Cáceres, might destroy the tenuous stability which the Government's victory had recently secured. In addition, President Cáceres, according to Dawson, was without ambition and to some degree lacked self-confidence. He, therefore, was not at all opposed to resigning in favor of some one upon whom the Horacistas

86 Dawson to Secretary of State, January 16, 1906, No. 203, FRUS, 1906, Part 1, p. 546.

87 Dawson to Root, February 2, 1906, No. 211, Despatches from the Dominican Republic, vol. 15, roll 15.
could join in support. 88 In early February, Cáceres announced that he had determined to resign and that former president Horacio Vásquez, the nominal head of the Horacista Party, would accept the presidency. 89 Despite his recognition of Cáceres' definite limitations as a party leader and an administrator, Dawson was not in favor of the change. 90 In the first place he felt that any change in the Government was dangerous. Secondly, he knew that Cáceres supported the convention of February 7, 1905. Horacio Vásquez's position on this matter was uncertain. Dawson, nevertheless, thought it best that he express no opinion on the question of Cáceres' resignation. Instead, he left the events take their course, and members of Cáceres' own party prevailed upon him to serve out the remainder of the presidential term. Finally, Cáceres relented and agreed to continue in office. 91

The continued peace of the Republic, Dawson was convinced, depended on three factors. First of all, it was necessary that the principal leaders of the Horacista Party and the Government be in agreement. Secondly, the insurgents had to be denied the supply of munitions. Finally, the possibility of the custom-houses falling into revolutionary hands had to be prevented. 92

88 Ibid.
89 Dawson to Root, February 15, 1906, No. 218, ibid.
90 Dawson to Root, March 8, 1906, No. 233, ibid.
91 Dawson to Root, February 15, 1906, No. 218; Dawson to Root, March 8, 1906, No. 233, ibid.
92 Dawson to Root, April 2, 1906, No. 236, ibid.
The last two objectives were fairly well secured by United States control of the customhouses under the modus vivendi and an embargo on the shipment of all fire arms and ammunition from the United States to the Dominican Republic, which had been in effect since mid-October, 1905.  

In order to aid in soothing the factionalism among the Horacistas and to end any misconception concerning United States interference in Dominican domestic politics, Dawson took the opportunity of Horacio Vásquez's visit to the capital in March to meet with the former president. Dawson thought that he had succeeded in convincing Vásquez of the United States' neutrality in the internal political problems of the Republic. Furthermore, he was convinced that Vásquez would offer no opposition so long as the convention was pending.  

Although the Jimenista opposition was prevented from obtaining munitions with any degree of facility and continually denied any hope of taking control of the customhouses, armed opposition to the Government continued on a diminished scale in the province of Monte Cristi. Elsewhere, open revolutionary activity was apparent. In dealing with its opponents, the Government took stern measures, arresting several of the leaders  

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93 Dawson to Secretary of State, October 19, 1905, No. 177, FRUS, 1905, pp. 398-99.  
94 Dawson to Root, April 2, 1906, No. 236, Despatches from the Dominican Republic, vol. 15, roll 15.  
95 Dawson to Root, July 24, 1906, No. 270, ibid.  
96 Dawson to Root, May 22, 1906, personal, ibid.
in direct violation of its promise in January to grant amnesty to all the revolutionaries. On the one hand, Dawson did not think that the oppressive measures of the Government would result in a major danger to the stability of the Government, even though there was opposition to its harsh methods. He reasoned that the oppressive tactics were not as severe as the country had previously been used to. On the other hand, he reported that he attempted to encourage those members of the Government who favored amnesty.

Even though he did not foresee an immediate danger to the Government, Dawson, nevertheless, did believe that the continued factionalism among the Horacistas and the action of the Jimenista opposition within the Republic and the rumors of imminent invasion by the exiles were helping to weaken the Government. He may have been correct in this evaluation. However, it was also true that between October, 1905 and February, 1906 the Dominican Government had successfully passed through a very critical period. In spite of factional division within the Government and revolution on the part of the opposition, the constitutional government had survived, somewhat changed in composition but still intact.

Throughout the period of factional bickering from October, to the time of Morales' flight from the capital on December 24,

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97 Dawson to Root, April 2, 1906, No. 236, ibid.
98 Dawson to Root, May 22, 1906, personal, ibid.
99 Dawson to Root, May 21, 1906, No. 251, ibid.
Dawson claimed that he refused to take sides or to interfer in the internal politics of the Dominican Republic. Nevertheless, his claim of non-interference in Dominican domestic politics was more apparent than real. The facts that both sides in the dispute consulted him and requested his presence at the meetings between them attest to Dawson's impartiality. But the mere fact that he was so consulted indicated that even had he wanted to, he could not have avoided involvement in the internal politics of the Republic. United States support of the *modus vivendi* and the pending protocol already constituted interference into the affairs of the Dominican Republic and necessarily made the United States Resident Minister one of the most important men in the Dominican capital and certainly the most important diplomat there. Furthermore, while it would appear that his urging of compromise and moderation on both sides helped to prolong the uneasy Morales-Horacista coalition, this urging itself constituted an involvement in the internal affairs of the country. This in no way implies that Dawson exceeded the wishes of his superiors. Such action was within the scope of his instructions. Dawson had been instructed to do what he could to keep harmony among the factions; but, he was also told that the United States could not become involved in the internal disputes of the Dominican Republic. The problem was one of determining what constituted interference in Dominican internal affairs. To Dawson and to Secretary of State Root, urging harmony between the factions did not, whereas taking sides did.
The revolution of late December and early January perhaps illustrates the impact of United States involvement in the Dominican Republic. There can be little doubt that the modus vivendi and the success of the Cabinet were closely connected. The uninterrupted operation of the modus vivendi for almost nine months had provided the Government with adequate funds to meet the emergency and had denied these funds to the opposition. In addition, the fact that United States citizens were in control of the customhouses prevented them from falling into the hands of the revolutionaries. The seizure of a customhouse by the Jimenistas would certainly have led to armed intervention to protect the North Americans who were working there.

Given these conditions, the question arises of why did the Jimenistas decide to revolt in late December, 1905. The possible key to the answer may lie with President Morales. Above and beyond his hostility to the Horacistas, Morales had another quality which may have made him attractive to the Jimenistas. Since Morales was constitutional president, was it not possible then that the United States Minister and the Government in Washington might continue to recognize him as the head of the Government and thus lend support to the Jimenista cause? If this were the case, Dawson's attitude was crucial, and he chose to continue to support the Horacista dominated Cabinet. At the time of Morales' flight in December, Dawson took the position that the questions of the legal right of Cáceres to succeed Morales and of the continuation of the Government were
primarily points of Dominican constitutional law. His reasoning on this matter was put forth in a despatch on the revolution dated January 2, 1906. Dawson wrote:

The cabinet formerly named by President Morales is still in possession and exercising their functions. The only power given the President by the Dominican constitution is that of naming and removing the cabinet ministers. Once named they are the executive, and until they are removed or attempted to be removed by either Morales or Caceres, or are expelled from the capital and government offices, the question of who has the right to remove them is largely academic.100

This was not always, however, Dawson's position. In November, he had noted that his letter of credence was directed to Morales as president, and on December 3, he had wired for instructions concerning the landing of marines without the explicit statement from the Dominican Government that it was unable to provide protection for the United States nationals, in the event Morales was somehow removed from the scene. As has already been mentioned, his reasoning then was that with Morales removed no constitutional government would exist. How can this change of view be explained? There is no conclusive explanation, but there are several possibilities.

One possible explanation might be that Dawson had not read the Dominican constitution prior to his telegram of December 3, but had read it prior to his despatch of January 2. Although up to December 3, Dawson makes no mention of having read or not having read the constitution, it would be very surprising

100 Dawson to Secretary of State, January 2, 1906, No. 202, FRUS, 1906, Part 1, p. 539.
if he had not read it. He had made a study of the Dominican financial affairs, had some acquaintance with the historical development of the country, and had become thoroughly familiar with Dominican politics and politicians. It would, thus, be absurd to think that, under these conditions, he had not become acquainted with the fundamental law of the Republic.

A second possibility might be that in early December, Dawson thought that a complete break between Morales and the Horacistas would result in the disintegration of the Government. But this is not the indication he had given in the December 3 telegram. Therefore, it would seem that he did not particularly foresee the dissolution of the Cabinet, and, thus a government would still have existed according to his later interpretation.

Perhaps the most logical explanation is that in early December he thought that direct United States intervention would be necessary if Morales were forced out, but by the end of the month, he no longer considered this either necessary or desirable or in accord with his instructions. Dawson's doubts concerning the Horacistas support of the protocol, his attitude towards Dominican politicians in general, his conviction of the necessity of the protocol in particular, the succession of events between December 3 and December 24, and the instructions he received from the State Department have to be taken into account in explaining this change.

To begin with, within his own definition of the term Dawson seems to have been sincere in his desire not to become
involved in the internal Dominican politics. However, he was anxious to see to it that there was a legal basis for intervention to protect the operation of the *modus vivendi*. Moreover, he also considered the Morales faction to be the strongest supporters of the protocol and he did harbor doubts concerning the firmness with which the Horacistas would support the agreement if they could find an alternative. But, it is to be noted that prior to sending the telegram of December 3, Dawson had been informed by the Horacista leaders of their willingness to guarantee the ratification of the protocol provided it was so amended to allow for congressional consultation on the question of requesting United States assistance under the agreement. From his statements concerning the Dominican politicians, it is equally clear that Dawson had little faith in the average Dominican politician putting the welfare of his country ahead of his partisan interests when the two clashed. Dawson himself, however, had become convinced that the only salvation for the Dominican Republic was to be found in the protocol. Therefore, in early December, it is not unlikely that he may have placed little faith in the Horacista promise and may have thought that once Morales was forced out there would be little certainty not only of continued support for the protocol, but also that the Horacistas would ask for assistance in maintaining the operation of the *modus vivendi*. Consequently, United States intervention might be necessary to protect the *modus vivendi* without the consent of the Dominican Government, and it might serve to strengthen
the Morales faction if a complete break came.

Between December 3 and December 24, several events occurred that may have caused him to change his mind. After Sánchez's exit from the Cabinet, the office of Foreign Minister was filled by Emiliano Tejera, who had long been in favor of the agreement with the United States and had recently reaffirmed his support of it. Therefore, by the end of December, it is probable that the Horacista pledge of continued support for the protocol appeared to have more substance. In contrast to this, Morales who had been firmly in back of the treaty, and as far as any one knew still was, had, by his flight, now found his chief support among the Jimenistas, who had been opposed to the treaty or at best accepted it with the greatest reluctance. Of course, it is possible that Jimenista opposition primarily came from identifying the treaty with the Government which they were trying to oust. But there is no way of being certain of this. Certainly Dawson, in spite of his conviction that any government would ultimately come around to the position of accepting the treaty as necessary, would have found it difficult to expect a Jimenista backed government, even with Morales at its head, to be favorable to the treaty. Therefore, after the flight of Morales on December 24 and the Jimenista uprising, the Horacista dominated Cabinet would seem to have offered the best security for eventual implementation of the treaty and the continuance of the modus vivendi.
Furthermore, even if he could have counted on a Morales lead-Jimenista supported government to support the protocol and the modus vivendi, Dawson probably would have been discouraged from requesting authorization to intervene. During the excitement of December 6, when it was thought that the United States was planning to land troops at Santo Domingo City, a violent anti-Yankee sentiment became apparent. In reporting the events of the sixth, Dawson attributed this sentiment to the mistaken belief that the marines were actually planning to land and intervene in the quarrel between Morales and the Horacistas. He further noted that the reaction of the populace "also indicated that in their hearts this people dearly values its independence and would sacrifice their lives in a struggle to preserve it even though they well know that such a struggle would be hopeless." However, in the same report, he also stated that he believed the intensity of the popular reaction resulted from circulation of rumors among the lower classes that United States "occupation or annexation means their oppression, enslavement and even extermination," and that displays of anti-United States sentiment following December 6 had been confined to young men and "members of the lower classes." Certainly then, Dawson undoubtedly was aware of the presence of an anti-Yankee feeling among the people; but it would also appear that he may have

102 Ibid.
considered it of little importance since it was confined to socially unimportant individuals. Nevertheless, he was anxious to have a naval vessel close by just in case it were needed to protect United States citizens in the capital. 103 If he did underestimate public sentiment in early December, Dawson could not overlook its presence after Morales fled from the capital. By the twenty-seventh he had received word that United States citizens in the interior of the country were frightened that they would be harmed if marines were landed. 104 On the twenty-eighth, he wired the Secretary of State that the French chargé d'affaires had offered to have a French war ship sent to aid in protecting the lives of foreigners, thus eliminating any danger to them which might result from the landing of North American troops. 105 Therefore, fear of causing a popular uprising against United States citizens and their holdings in the Dominican Republic may have acted to discourage Dawson from considering military intervention.

Even if this fear did not discourage him, the instructions he was receiving from the Secretary of State would have caused him to think twice before requesting permission to land marines. For his part, Secretary of State Root fully concurred

103 Ibid.
104 Dawson to Secretary of State, telegram received December 27, 1905, FRUS, 1905, p. 411.
105 Dawson to Secretary of State, telegram received December 29, 1905, ibid., p. 411.
with Dawson's concept of non-interference in the internal political affairs of the Dominican Republic: that is, not taking sides in the factionalism but urging both sides to be moderate and to compromise. In fact, as has been noted, Dawson's actions on this point were based on his instructions from the State Department. Nevertheless, Root made it clear that the United States would not insist on the continuation of the modus vivendi if the Dominicans did not want it continued, nor would the United States intervention, if necessary, go beyond protecting the lives and property of United States citizens.106

When Root received Dawson's telegram containing the French offer to lend assistance lest United States intervention result in harm to foreigners in the Dominican Republic, the Secretary of State replied that the restrictions he had earlier placed on United States intervention--landing of troops only when necessary to protect lives and property of United States citizens and to be confined to that task alone--were to be strictly observed. "In that case," Root maintained, "there will be no landing of troops under any such circumstances as to justify apprehension of danger to [the] lives of foreigners."107 These instructions could leave little doubt that the State Department was not interested in intervening either to maintain the modus

106 Secretary of State to Dawson, December 6, 1905, telegram, ibid., p. 408.
107 Secretary of State to Dawson, December 29, 1905, telegram, ibid., p. 411.
vivendi against the Dominican Government's wishes or to support one of the factions in the Morales-Horacista dispute.

Whatever the explanation for Dawson's change of mind concerning the effect of Morales' presence on the constitutionality of the Dominican Government, his principal objective seems to have remained the same: maintain a government in power that would continue to support the convention signed with the United States. Following the restoration of order in January, the continuation of this policy can be seen in Dawson's preference of Cáceres' retention of office as opposed to Vásquez's ascension to the presidency, and in his attempts to strengthen the Cáceres Government by trying to convince Vásquez that the United States was truly neutral in matters of Dominican internal politics, and by urging of moderation upon the Government in dealing with its Jimenista opponents. In pursuing this course, Dawson was undoubtedly motivated by the conviction that the modus vivendi and the protocol of the treaty February 7, 1905, eliminated a vexing international problem brought about by the Dominican debt. But certainly his support of the treaty, with its sanction of United States interference in the financial affairs of the Dominican Republic, also came from his broader view that the treaty and the modus vivendi offered the Republic financial and political stability, and economic prosperity.
By February, 1906, although a year had passed since the representatives of the United States and the Dominican Republic had signed the protocol of the treaty, it had not yet been ratified by the United States Senate. Despite this delay, the Dominican Government, anxious to secure its ratification, apparently still regarded the protocol as the solution to the Republic's international financial problems. In February, 1906, Foreign Minister Tejera asked Dawson what the United States would do if the convention were rejected by the Senate. While the Dominican Government was willing to continue devoting fifty-five per cent of its revenues to the payment of its debts, Tejera feared that if the treaty were rejected, the European creditors would demand control of the ports which they had been guaranteed under the various protocols. At any rate, the Dominican Government would be unable to hold its customhouses against either European intervention or revolutionary forces. Dawson refused, however, to discuss what position the United States would take in the event of senatorial rejection. He told Tejera that instructions would be sent from the Department of
state when the time required.¹

Not all the members of the Horacista Party concurred with the Government's continued support of the convention. Some argued that the treaty should be rejected. They used the success of the modus vivendi as proof that the Dominican Republic could make its own arrangement with its creditors for a settlement of the debts. In view of Tejera's statement that the Government would not be able to prevent either the European creditors or revolutionaries from seizing the customhouses, Dawson was probably correct in observing that those who argued thusly were insincere. He thought that if they were once responsible for the government, they would accept the protocol without question rather than face the certainty of being overthrown if it were rejected.² This argument also overlooked the fact that the modus vivendi itself constituted United States interference in the affairs of the Dominican Republic and that North American support for the agreement was what made it successful.

Whatever the advantages of the modus vivendi, it was only a temporary expedient. Notwithstanding Dawson's optimistic report of July 1, 1905, on the beneficial effects of the modus vivendi, after having been in operation for a year, certain


²Dawson to Root, April 19, 1906, No. 241, ibid.
defects in the arrangement were becoming apparent. In the first place, it was beginning to have an adverse effect on the Dominican economy. In his memorandum to President Roosevelt in July, 1905, Dawson had reported that the peace the *modus vivendi* had brought to the Dominican Republic by denying the customhouses to the revolutionaries, and thereby discouraging revolutions, had led to an increase in production in the Republic. In July, 1906, Dawson had an opportunity to make a fairly extensive tour of the Republic and from his observations and from the reports that he received, he was able to report that the economic improvement he had reported the previous year was continuing. Only in Monte Cristi did the economy remain stagnant. ³

Nevertheless, it was also becoming apparent to Dawson that the *modus vivendi* was also having a slow, but still very present, enervating effect on the economy. The monthly removal from the country of fifty-five per cent of the revenues collected in the customhouses, he reported, was beginning to hamper commercial operations. ⁴ He thought that it would not be unreasonable to suspect that a shortage of circulating currency would exist by September, 1906. ⁵ Dawson was particularly concerned over the fact that this lack of currency might have a

³Dawson to Root, July 24, 1906, No. 269, *ibid*.


⁵Dawson to Root, July 24, 1906, No. 269, Despatches from the Dominican Republic, vol. 15, roll 15.
harmful effect on the small farmers. He saw a definite connection between the prosperity and the increase in this class and permanent peace in the country. In May, 1906, he expressed his view on this subject in a despatch to the Secretary of State. Dawson wrote:

The longer I live in this country the more confident I am that the danger from the professional revolutionary class can be temporarily eliminated by keeping the customhouses out of their reach. But back of the danger from this class is the possibility of a revolution caused by sheer poverty. That is the real reason Monte Cristi is such a dangerous Province, and the fall of Heureaux was due to his extravagance, which led to his interfering with the currency and the consequent ruin of the small producer and laborer. 6

The possibility of a critical lack of currency and subsequent injury to the Dominican economy were factors, among others, which Dawson believed should be taken into consideration in formulating the State Department's attitude towards a Dominican law which appeared to alter the modus vivendi by authorizing the diversion of thirty per cent of the export duties for the construction by the Dominicans of a railroad line between the two inland cities of Santiago and Moca. 7

A second defect in the modus vivendi was that no provision was made for the distribution of the funds placed in trust for the creditors. By the early spring of 1906, some of the foreign creditors appeared anxious to have the sum which


7 Ibid., p. 561.
had accumulated in New York divided among themselves. Initially, Dawson did not seem to favor any division prior to the ratification of the treaty. His position is explained both by the lack of any instructions from Washington and by what he considered to be the difficulty of determining what percentage each creditor would receive. However, he slowly came around to believing that the continued presence of a large sum in New York actually served as temptation for potential revolutionaries to attempt to overthrow the Government in order to get hold of the money. In addition, he believed that an actual payment to the creditors would serve to convince those Dominican politicians who continued to oppose the treaty "that no backward step is practicable." By May 22, 1906, Dawson was writing the Secretary of State, asking if the Department had considered persuading the creditors to reach a voluntary agreement with the Dominican Government over the division of the sum already held in New York. He thought that the Dominicans would agree to such an arrangement provided that the Italian creditors and the Improvement Company did not demand a division based on the yearly payments which they had been promised.

8 Dawson to Root, April 4, 1906, No. 239; Dawson to Root, April 18, 1906, No. 240, Despatches from the Dominican Republic, vol. 15, roll 15.

9 Dawson to Root, April 18, 1906, No. 240, ibid.

10 Dawson to Root, April 19, 1906, No. 241, ibid.

11 Dawson to Root, May 22, 1906, personal, ibid.
In fact, the Ministers of Foreign Affairs and Finance did attempt to reach a voluntary agreement with the creditors on the proportional division of the trust fund.\textsuperscript{12} At the end of May, the Cabinet, encouraged by reports received from the Dominican Minister in Washington, decided to send Minister Velásquez to Washington in order to consult with Secretary of State Root and Professor Hollander on the possibility of making some voluntary arrangement for the settlement or refunding of the debt.\textsuperscript{13} When Velásquez departed on June 9, he evidently had been instructed to secure some agreement which would allow for refunding and reduction of the debt, without submitting each debt to the investigation of a commission.\textsuperscript{14}

In Washington, Secretary of State Root had apparently been thinking along lines similar to those which Dawson and the Dominican Government were following. His view of the problem, however, was somewhat larger. By achieving a voluntary adjustment of the debt through an agreement between the Dominican Government and the creditors, Root hoped to remove some of the objections which had been brought up in the Senate against the protocol. This would not end the need of a treaty because the debt adjustment would be contingent upon a convention by

\textsuperscript{12}Dawson to Secretary of State, June 9, 1906, No. 256, FRUS, 1906, Part 1, p. 563.


\textsuperscript{14}"Chronology of Political Events in Santo Domingo," FRUS, 1906, Part 1, p. 599.
which the United States would guarantee the servicing of the debt. The advantage lay in the fact that the United States would be relieved of the burden of supervising the adjustment of the debt. 15

During the summer of 1906, Velásquez and Hollander devised a plan for the adjustment of the various debts and claims against the Republic. All were reduced, depending on their character, from ten to ninety per cent. 16 In addition, Velásquez and Hollander concluded negotiations with Kuhn, Loeb and Company of New York for the purchase of $20,000,000 worth of five per cent bonds at the rate of 96 per cent of their face value. The Morton Trust Company, also of New York, was to act as the fiscal agent of the Dominican Republic. The contract with Kuhn, Loeb and Company was contingent on the Dominican Republic and the United States entering into and ratifying, prior to April 1, 1907, a treaty whereby the United States would agree to supervise the collection of the Dominican customs during the life of the bond issue. Furthermore, creditors' acceptance of the debt adjustment was required. Upon the satisfactory fulfillment of these provisions, the Kuhn, Loeb and Company would buy the bonds issued by the Dominican Government.


16 Munro, op. cit., p. 119.
The money thus obtained would be deposited with the Morton Trust Company, which would in turn pay off the various claimants and creditors. Concessions which had been granted by previous Governments would also be bought back. The remainder of the amount on deposit with the Trust Company would be used by the Dominican Government to defray the cost of issuing the bonds and for internal improvements. 17

Secretary of State Root, who was touring Latin America after attending the opening sessions of the Pan-American Conference held in Rio de Janeiro, found no objection with the agreement between the Dominican Government and Kuhn, Loeb and Company, but felt that an agreement with the creditors would help to produce a favorable impression on the Congress. 18 On September 27, Hollander left for Europe in order to secure the consent of the major European creditors to the plan which he and Velásquez had formulated. 19 By the last week of October, he had succeeded in obtaining his immediate objective: the consent of the Belgian and French creditors, and one of the


19 Hollander to Adee, September 24, 1906, Numerical File 1199/3.
major Italian creditors. This did not constitute all of the European creditors and, in spite of the continued opposition of some, the State Department refused to consider altering the debt adjustment plan.

The problem of dealing with the North American creditors was left to the Dominican Government's financial representatives in the United States, the Morton Trust Company and Messrs. Stetson, Jennings and Russell of New York. The Improvement Company was opposed to the adjustment, but, again, the State Department offered little sympathy. The domestic creditors of the Dominican Republic were to be handled by Velásquez, who returned home in late September.

Since all of the negotiations prior to the first of October had taken place either in the United States or in Europe, Dawson did not have a part in them. When Velásquez returned to Santo Domingo City at the end of September, Dawson conferred with him on the problem of getting the domestic creditors of the Republic to accept the debt adjustment plan. At that time,

20 Hollander to Root, telegrams, October 11, 1906, October 16, 1906, October 19, 1906, October 25, 1906, Numerical File 1199/4-6, 8.

21 Munro, op. cit., p. 124.

22 Hollander to Adee, September 24, 1906, Numerical File 1199/3.

23 Munro, op. cit., p. 124.

24 Hollander to Adee, September 24, 1906, Numerical File 1199/3.
neither of them foresaw any major problem from this quarter. 25

About this time, an event occurred which could have had serious repercussions in the Dominican Republic. On September 29, 1906, the United States intervened to assume control of the Cuban government under the Platt Amendment. This action could have had disastrous effects upon the Dominican public, which might have interpreted it as a mere preview of what lay in store for their republic. Consequently, Dawson closely observed Dominican reaction to the news coming from Cuba. The initial reaction of the Dominicans to the Cuban intervention, Dawson reported, was one of indifference. 26 In fact, he was surprised by "the lack of real sympathy among Dominicans for Cuba." 27 He did not foresee any drastic change in the Dominican attitude, unless there were serious clashes between United States and Cuban forces. Even then, he did not think that the intervention would necessarily be interpreted as an attempt to destroy Cuban independence, or, by inference, as an indication of the ultimate fate of the Dominican Republic itself. 28

In spite of these initial reports of Dominican indifference towards events in Cuba, some politicians who opposed the United States' interference in Dominican affairs used it as a

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25 Dawson to Root, personal, October 2, 1906, Numerical File 27/75.

26 Dawson to Root, October 2, 1906, No. 304, Numerical File 27/74.

27 Dawson to Root, October 2, 1906, personal, Numerical File 27/75.

28 Ibid.
pretext to argue that the Dominican Republic would be deprived of its sovereignty.\textsuperscript{29} The depth of this opposition is reflected in an article by Espaillat de la Mota, the congressional deputy from La Vega. To cope with United States intervention, he suggested \textit{la doctrina del fosforo}: destruction of North American properties and extended guerrilla warfare, thereby making it economically unfeasible for the United States to retain control.\textsuperscript{30} Arguments against the policy of United States involvement in Dominican financial affairs, however, had no more effect on the Government when they were connected with the Cuban intervention than prior to September, 1906.

Since the question of debt adjustment appeared about to be settled without any apparent difficulty and since no other major problem was immediately foreseeable, it seemed opportune for Dawson to take a leave of absence.\textsuperscript{31} It had been over a year since he had a vacation and, for sometime, he had been urging his superiors in the Department of State to grant him permission to return to the United States for much needed medical treatment. Almost nine years in the tropics had taken their toll on his health. Shortly after coming to the Dominican Republic, he developed tropical ulcers of the feet. After his

\textsuperscript{29}Colton to Taft, October 26, 1906, confidential, Numerical File 27/126.

\textsuperscript{30}William H. Gale (U.S. consul at Puerto Plata) to Assistant Secretary of State Bacon, November 12, 1906, No. 10, enclosure: "La Doctrina Del Fosforo," Listin Diario, October 13, 1906, p. 2, Numerical File 27/130.

\textsuperscript{31}Dawson to Root, October 2, 1906, personal, Numerical File 27/75.
return from the United States in the fall of 1905, he had found it difficult, if not impossible, to wear shoes, and merely using his feet produced such a reaction that he was frequently confined to bed for a few days at a time. The only cure for this ailment seemed to be an extended period in a cooler climate.  

Permission for a leave was finally granted and on October 16, Dawson left for the United States.  

Shortly after his arrival in Washington, Dawson was ordered back to Santo Domingo City. Consequently his leave was cut short and he left the United States, arriving in the Dominican capital on Saturday, December 1, aboard a United States naval vessel which had been sent to bring him from San Juan, Puerto Rico. It would seem that the principal objective of Dawson's sudden return to the Dominican Republic was to investigate the slow pace with which the domestic creditors

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32 Dawson to Bacon, September 3, 1906, personal, Dawson's Application and Recommendation File.

33 Dawson to Root, August 12, 1908, No. 141, Numerical File 2765/28. During Dawson's absence the United States Legation in Santo Domingo was left in charge of Rosswitte E. Pollock who was temporarily serving as clerk of the Legation. Pollock originally came to the Dominican Republic as a Weather Bureau Observer in the employment of the United States Department of Agriculture. When the clerk at the Legation resigned on August 15, 1906, Dawson asked Pollock to fill the position temporarily, since his own official duties with the Weather Bureau had been completed. Numerical File 2078 passim. Dawson to Bacon, September 3, 1906, personal, Dawson's Application and Recommendation File.

34 Dawson to Root, August 12, 1908, No. 141, Numerical File 2765/28.

35 Pollock to Secretary of State, December 10, 1906, Numerical File 27/151. Acting Secretary of the Navy to the U.S.S. Marietta stationed at Santo Domingo City, November 23, 1906, telegram, Numerical File 27/147.
were accepting the debt adjustment scheme. There is some evidence that Hollander and the officials in Washington were becoming concerned over this matter.\(^36\) During his brief stay of one week, Dawson, who interviewed several prominent creditors, concluded that the question of the domestic debt had virtually been settled.\(^37\) In fact, on December 5, Dawson wired the Department of State that the Dominican Government had issued a decree fixing the terms of non-foreign debts.\(^38\) If Dawson and his superiors in Washington were convinced that there would be no further problem with the domestic creditors, they were mistaken. Dissatisfaction with the plan of debt settlement was still strong in Puerto Plata,\(^39\) and shortly after Dawson left, opposition to the settlement developed in the Cibao.\(^40\) However, by December 24, this opposition had apparently abated.\(^41\)

Upon his return to the United States on December 18,\(^42\)

\(^{36}\) Hollander to Root, December 7, 1906, Numerical File 1199/16.

\(^{37}\) Colton to Secretary of War Taft, December 10, 1906, Numerical File 1199/31.

\(^{38}\) Dawson to Secretary of State, December 5, 1906, telegram, Numerical File 1199/15.

\(^{39}\) Commander W. F. Fullman, commanding officer of the U.S.S. Marietta stationed at San Pedro de Macorís, D.R., to Secretary of the Navy, December 26, 1906, Numerical File 27/158.

\(^{40}\) Colton to Taft, December 10, 1906, Numerical File 1199/31.

\(^{41}\) Velásquez to Secretary of State, received December 24, 1906, telegram, Numerical File 1199/29.

\(^{42}\) Dawson to Secretary of State, December 18, 1903 [sic], telegram, Numerical File 2765/2. Bacon to Dawson, December 18, 1906, telegram, ibid.
pawson continued working on matters connected with the debt settlement. It would seem that his attention was primarily taken up with the case of the Vicini Claim which amounted to $1,500,000 and had been reduced fifty per cent by the debt settlement. This claim was based on a much smaller loan which had been greatly inflated as the result of an interest rate of two per cent a month. The original loan, made by an Italian subject, had been inherited by his Dominican wife and children, who had all been born in the Dominican Republic, and could thus be considered Dominican nationals. Nevertheless, since the original loan was contracted by an Italian national, Finance Minister Velásquez had been reluctant to include this claim in the decree of early December, 1906, settling various domestic claims. Subsequently, the Vicini heirs refused to accept the reduction which the Dominican Government hoped to impose upon them; perhaps in part this refusal was founded on the hope of support from the Italian Government. 43 Dawson consulted with Joubert, the Dominican Minister in Washington, concerning the Vicini claim, urging that he wire the Dominican Government to issue another decree including this claim and others which had been omitted from the earlier decree. 44 Since the debt adjustment matters had been handled through Hollander, Joubert was reluctant

43 Dawson's memorandum for Root, December 27, 1906, Numerical File 1199/32.
44 Dawson's memorandum on Santo Domingo, January 10, 1907, Numerical File 1199/39 1/2.
to send the telegram, but advised that Hollander do so.\textsuperscript{45} Hollander was contacted and on January 11, the necessary telegram was sent. The supplementary decree fixing the remaining domestic debts, whether the claimants had assented or not, was published on Monday, January 14, 1907.\textsuperscript{46}

In December, it was announced that Dawson had been transferred from the Dominican Republic to Bogotá, Colombia.\textsuperscript{47} In spite of this announcement, there was still an important matter to attend to in the Dominican Republic. Although the question of the debt adjustment had proceeded reasonably well, there was still the problem of negotiating a new treaty, as provided for in the contract between the Dominican Government and Kuhn, Loeb and Company. This treaty was to establish United States collection of the custom revenues for the duration of the bonds. The officials in the State Department felt that it would be better to entrust the negotiating of the treaty to Dawson with his extensive knowledge of conditions in the Dominican Republic, rather than to the newly appointed Minister, Fenton R. McCreery, who was being promoted from the post of Secretary of the United States Embassy in Mexico City.\textsuperscript{48}

\textsuperscript{45}Ibid.

\textsuperscript{46}Root to American Legation in Santo Domingo, January 11, 1907, telegram, Numerical File 1199/35b. Pollock to Secretary of State, January 12, 1907, Numerical File 1199/36.

\textsuperscript{47}Pollock to Root, December 26, 1906, No. 327, Numerical File 27/154.

\textsuperscript{48}Root to McCreery, January 17, 1907, telegram, Numerical File 3987/.
Therefore, sometime during the second week of January, 1907, Dawson left the United States, arriving in the Dominican capital on January 23.\textsuperscript{49} It would appear that he brought with him a draft treaty which was to serve as the basis for further negotiations.\textsuperscript{50}

The telegrams exchanged between Dawson and Root during the negotiations and the form of the treaty finally adopted, indicate that Secretary of State Root hoped to obtain two major objectives in the treaty which he entrusted to Dawson.\textsuperscript{51} First, and most important was the object of securing United States control over the collection of the Dominican custom revenues for the life of the bonds. Secondly, the Secretary of State sought to provide the United States Government with guarantees that it would both have adequate authority to see that funds would be available to pay off the debt contracted by the bond issue and that the burden of administering Dominican financial affairs would be as brief as possible. In order to assure these guarantees, the treaty provided that the Domi-

\textsuperscript{49} Dawson to Secretary of State, January 24, 1907, telegram, Numerical File 2765/4.

\textsuperscript{50} This statement is based on Dawson's telegram to the Secretary of State, on January 28, 1907 (Numerical File 1199/48) in which Dawson refers to a draft treaty. The original copy of the draft treaty does not seem to have been filed in Numerical File 1199. However, it is quite clear from the telegrams exchanged between Dawson and the Department of State that the content of the draft treaty and the treaty finally signed on February 8, 1907 were similar and that the objectives of both were identical.

\textsuperscript{51} The ratified treaty appears in \textit{FRUS, 1907, Part 1}, pp. 307-309.
nican debt would not be increased without the previous agreement of the United States. Nor would the Dominican Government be allowed to alter its tariff scale without United States consent. Moreover, the final clause of the first article provided that if the sum collected in one year by the custom's receiver exceeded $3,000,000, one half of the surplus would be devoted to a sinking fund to be used for the redemption of the bonds. 52

For their part, the Dominicans seemed also to have two major objectives to obtain during the negotiations. In the first place, they were opposed to the necessity of gaining United States sanction for the alteration of their tariff schedules. The Dominican position on this point was prompted by three motives. While they did not mention it, they undoubtedly hoped to retain as much independence in the control of their financial affairs as was possible. There was also the fear that the United States might use the control over tariff revision for its own benefit. 53 Finally, to mollify the Horacista members of Congress who opposed the treaty, the Dominican Government thought it necessary to remove those phrases which blatantly indicated an infringement on Dominican sovereignty. 54

52 Root to Dawson, February 2, 1907, telegram, Numerical File 1199/50.
53 Dawson to Secretary of State, February 1, 1907, telegram, Numerical File 1199/50.
54 Dawson to Secretary of State, January 28, 1907, telegram, Numerical File 1199/48. Dawson to Secretary of State, February 6, 1907, telegram, Numerical File 1199/55. Dawson to Secretary of State, February 1, 1907, telegram, Numerical File 1199/50.
The second major objective of the Dominican negotiators was to provide as much money as possible for their Government's use. This point had also come up in the earlier negotiations for the protocols of January 21, 1905 and February 7, 1905. In order to secure this objective, they were anxious to have some specific limitation placed upon the expense of the general receiver of customs, who would be appointed by the United States. Furthermore, they sought to have the final clause of article one, which provided for the diversion of one half of the revenues in excess of $3,000,000 for a sinking fund, to be changed so that the revenues would have to be in excess of $4,000,000 before funds could be put into the sinking fund, and then only one third of the excess rather than one half would be diverted.

Secretary of State Root was willing to concede to some of the Dominican wishes. Dawson was instructed to agree to modify the offensive phraseology and to include a clause limiting the expenses of the collector of customs. Nevertheless, the Secretary still insisted that the United States must

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56 Dawson to Secretary of State, February 1, 1907, telegram, Numerical File 1199/50.


58 Ibid. Root to Dawson, February 4, 1907, telegram, Numerical File 1199/51.
be consulted on, and agree to, any tariff change. Root argued that the United States did not gain any benefit from the treaty, that it was not reasonable to expect to administer a tariff for fifty years and not know what that tariff would be, and that this provision did not allow the United States to alter the Dominican tariff so as to favor North American trade. The Secretary of State further refused to alter the clause concerning the diversion of funds in excess of $3,000,000 for the sinking fund. He pointed out that this clause would enable the Dominican Government possibly to end the debt and thus the United States supervision in less than fifty years. This, he maintained, should indicate to the Dominicans that the United States did not intend to prolong or increase its interference. Moreover, Root noted that the Senate would not be too pleased with the length for which the United States bound itself under the treaty, and this clause would help persuade the senators that the term of service to the Dominican Republic would, in fact, be shorter.

In spite of Root's insistence that the United States must approve any tariff change, President Cáceres maintained

59 Root to American Legation in Santo Domingo, January 29, 1907, telegram, Numerical File 1199/50.


61 Root to Dawson, February 2, 1907, telegram, Numerical File 1199/50.
that he could not secure congressional ratification of the treaty unless this provision was modified. In view of the Secretary of State's previous communications, Dawson evidently felt obliged to halt the negotiations and ask for an official refusal from the Dominican Government.62 This, of course, would have led to the termination of the negotiations on the treaty and the subsequent failure of the loan agreement. It is doubtful that Dawson really hoped to place the Dominican Government in such dire straits. Probably what he wished to do was to pressure Cáceres into accepting the United States' position.

Whatever Dawson's purpose, Root certainly was not ready to end the negotiations. On February 6, he instructed Dawson to use his discretion and, if necessary, exclude from the treaty the clause specifically requiring that the import duties not be altered "except by previous agreement with the President of the United States."63 Dawson, however, did not choose to avail himself of this permission to consent to the Dominican wishes. Instead, on February 8, he signed a treaty which still required "previous agreement with the President of the United States" for changing the Dominican tariff. The Dominican representatives, Foreign Minister Tejera and Finance Minister Velásquez, in addition to signing the form of the treaty which Dawson signed,

62Dawson to Secretary of State, February 6, 1907, telegram, Numerical File 1199/55.

63Root to Dawson, February 6, 1907, telegram, Numerical File 1199/50.
also signed another form which was closer to that permitted by Root on February 6. Dawson thought it unadvisable to agree to the alternate version without first consulting with Root; nevertheless, he agreed to explain the Dominican viewpoint to the Secretary of State. 64

On February 9, Dawson left the Dominican capital 65 and arrived in Washington with the signed treaties on February 19. 66 After consulting with Secretary of State Root, it was decided that the form of the treaty preferred by the Dominicans would be accepted by the United States. 67 The treaty was then submitted for senatorial ratification. In contrast to the difficult time that the protocol of February 7, 1905 experienced in the Senate, the new treaty was ratified by the twenty-fifth of the month. Only a minor verbal change, which did not alter the meaning of the document, was required by the Senate. 68

64 Dawson to Secretary of State, February 8, 1907, telegram, Numerical File 1199/57. Tejera to Dawson, personal, February 7, 1907, Numerical File 1199/88. For the two versions of the treaty see: Pollock to Secretary of State, February 11, 1907, telegram, Numerical File 1199/59.

65 Pollock to Root, February 9, 1907, No. 336, Numerical File 27/178.

66 Dawson to Secretary of State, February 19, 1907, telegram sent from New York City, Numerical File 2765/5.


68 Root to Dawson, February 27, 1907, unnumbered, Numerical File 1199/59. Dawson to Minister Exteriors (Dominican Republic), March 2, 1907, Numerical File 1199/71a.
It did not, however, appear as if ratification would be so smoothly achieved in the Dominican Republic. By mid-February, the State Department began receiving distressing news from William H. Gale, the United States consul in Puerto Plata. Reporting that there was widespread opposition to the loan agreement, Gale asserted that if the Caceres Government pushed the new treaty through the Dominican Congress there would be an anti-Yankee revolution. He also informed Washington that the opposition was reflected in the Cabinet's determination to force President Caceres to dismiss Finance Minister Velasquez for the latter's part in negotiating the loan agreement. Twelve provincial governors had also supposedly come out in opposition to the loan. Gale maintained that although Dawson questioned both the sincerity of the opposition to the loan and the possibility of a revolution over this matter, opposition was quite real and deep and a revolution very probable.69

Apparently, as a result of Gale's dire reports, it was decided to return Dawson to the Dominican Republic, to report on the situation and lend whatever aid he could to the Caceres Government in its efforts to get the treaty ratified by the Dominican Congress. Arriving back in the Dominican Republic on March 9, Dawson immediately wired the Department of State that conditions were not as bad as Consul Gale had indicated.70

69 Gale to Secretary of State, February 16, 1907, telegram, Numerical File 1199/61. Gale to Root, February 16, 1907, unnumbered, Numerical File 1199/74.

70 Dawson to Secretary of State, March 9, 1907, telegram, Numerical File 2765/7.
By that time, word had already been received in Washington that the Dominican Government was united in its intention to secure ratification of the treaty. Dawson's subsequent investigations indicated that neither the division within the Cabinet nor opposition on the part of the provincial governors, which Gale had reported, existed. By March 25, Dawson could wire Root that the Dominican Government was assured of the support of the two-thirds of the congressmen necessary for the ratification of the treaty, and that the treaty would be submitted in early April, following the recess for Holy Week. That Dawson's evaluation of the situation was basically correct is corroborated in Colonel Colton's reports to the Bureau of Insular Affairs and to Secretary of War Taft. However, Colton's reports do indicate that a split in the Government was rumored and that there was opposition to the debt adjustment and loan contract. The latter was based to a large extent on partisan dislike of Velasquez.

On April 5, the treaty was presented to the Dominican

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71 Bacon to American Legation in Havana, March 4, 1907, telegram, Numerical File 1199/75.77.


73 Dawson to Secretary of State, March 25, 1907, telegram, Numerical File 1199/102.

congress, whereupon it was referred to a committee for considera-
tion. 75 In the meantime, William L. Bass, a United States
citizen and proprietor of the sugar estate "Consuelo" in San
pedro de Macoris, circulated in the Dominican Republic copies
of a letter he had received from Senator Weldon B. Heyburn of
Idaho. In this letter the Senator stated that he supported
the treaty because it was the first step toward eventual annexa-
tion of the Caribbean republic. Since this was precisely the
argument which the opponents of the treaty were using, the
revelation that a United States senator thought along these
lines did provide the opposition with ammunition. 76 Weakening
the chances of the ratification of the treaty was exactly
what Bass had in mind when he circulated Senator Heyburn's
letter. Bass was himself opposed to the treaty. In part, this
opposition probably resulted because the treaty would tend to
assure the incumbent Government's continued existence. Bass,
who had difficulty with the Government over the payment of a
production tax on his sugar consequently had allied himself
with the Jimenista opponents of the current regime. Deluging
the Department of State with letters opposing the treaty, Bass
even submitted a resolution to the State Department which he
suggested be approved as a joint resolution by Congress. This

75 Dawson to Secretary of State, April 5, 1907, tele-
gram, Numerical File 1199/115. Dawson to Root, April 23, 1907,
No. 361, Numerical File 1199/143.

76 Colton to Taft, April 4, 1907, Numerical File 1199/122.
Dawson to Root, April 2, 1907, personal, Numerical File 1199/272-
273.
resolution called for the President to be authorized to intervene in the Dominican Republic, with armed force if necessary, to assure stability and order. Once the resolution were passed, according to Bass's plan, the United States would convene an assembly consisting of representatives, not only of the Government in control of the republic, but also those opponents of the regime who were in exile. The assembly would then work out the details of this "friendly intervention." Thereupon, the United States would intervene in either a forcible or friendly manner, with force "if necessary to handle any intractable element which happened to be in control, and in a friendly manner" to assist "the many who, while desiring peace in the country, have no opportunity afforded them to help bring it about," because of their exile or imprisonment. The intent of Bass's plan was clearly to lend aid to the Jimenista opponents of the Cáceres Government in their attempt to displace it.  

Dawson made every possible effort to mitigate the effect that the Heyburn-Bass letter might have on the Cáceres Government. He pointed out to Foreign Minister Tejera that although Senator Heyburn had introduced a resolution for the annexation of the Dominican Republic in December, 1905, this

77 Root to Senator Joseph B. Foraker, January 15, 1907, Numerical File 1927/la. Bass's letters opposing the treaty were so numerous and his involvement in Dominican affairs so extensive that the Department of State established a file particularly for him, Numerical File 1927.
resolution had never received any support. In early March, Secretary of State Root decided that the Dominican Government should confidentially be informed of the plans that Bass was attempting to promote, and had forwarded the documents to Dawson. These arrived just at the time the Heyburn-Bass letter became known. During his interview with Foreign Minister Tejera, Dawson also exhibited these documents. It was thus clear to the members of the Government that Bass's real objective was to plot their overthrow, and that the Heyburn letter was merely an attempt to strengthen the opposition. If any thing, the effect was to unify the Cabinet further. Hoping to publicize Bass's true intentions, Tejera asked permission to publish the proposed joint resolution. Although Dawson had been instructed to show this resolution confidentially to the Dominican Government, he decided that under the circumstances, it would be wise to allow its publication, provided no mention was given of how the Dominican Government received it. Dawson also submitted to the Government for publication a copy of a New York Tribune editorial which had been sent to him by the State Department and which noted that Heyburn's annexationist plans reflected neither public nor official governmental opinion.

78 Dawson to Root, April 2, 1907, personal, Numerical File 1199/272-273.
79 Root to Dawson, March 5, 1907, Numerical File 1927/4a.
80 Dawson to Root, April 2, 1907, personal, Numerical File 1199/272-273.
in the United States. 81

The circulation of the Heyburn-Bass letter did result in pressure being exerted on the members of Congress by those Horacistas who opposed the treaty. 82 Nevertheless, the President had received sufficient pledges of support from congressmen and he insisted that these be fulfilled. 83 The Congressional committee, which had been entrusted with studying the treaty, by a vote of two to one, finally submitted a favorable report on April 22, 1907. 84

One of the majority members of the committee included in his report a recommendation that at the time of ratification Congress attach explanatory statements to the treaty in order to remove any ambiguity. 85 These explanations consisted of three major clarifications. First, those officials to be appointed by the president of the United States to collect the Dominican customs were not to include those employees who by Dominican law were to be appointed by the president of the

81 Bacon to Dawson, April 5, 1907, telegram, Numerical File 1199/117. Dawson to Secretary of State, April 12, 1907, telegram, ibid.

82 Dawson to Root, April 15, 1907, personal, Numerical File 1199/131.

83 Dawson to Secretary of State, April 23, 1907, telegram, Numerical File 1199/130.

84 Dawson to Secretary of State, April 22, 1907, telegram, Numerical File 1199/127.

85 Dawson to Secretary of State, April 23, 1907, No. 361, Numerical File 1199/143.
Republic. Second, the United States would intervene to protect the general receiver and his staff only when the Dominican Government was unable to do so. Finally, the needed tariff reform was to go through as soon as the Dominican Government could demonstrate that the custom revenues had exceeded $2,000,000 for the two proceeding years. Though these explanatory statements did not alter the sense or meaning of the treaty, Dawson, in wiring the Department of State, referred to them as "amendments," and strictly speaking, if they were to be attached to the treaty, they might be considered amendments. Dawson's telegram led Root to wire back that it was not necessary to bother to telegraph the amendments as the negotiations had reached a point where they must end. The treaty had to be accepted as the Senate had approved it and no amendments could be considered.

By a vote of seventeen to four with three abstentions, the Dominican Congress ratified the treaty on May 3, 1907, and adopted the explanatory statements. However, many of the

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86 Ibid. Emilio C. Joubert to the Secretary of State (Root), May 24, 1907, enclosure 1, FRUS, 1907, Part 1, pp. 310-311.
87 Dawson to Secretary of State, April 22, 1907, telegram, Numerical File 1199/127. Dawson to Secretary of State, April 23, 1907, telegram, Numerical File 1199/130.
88 Root to Dawson, April 24, 1907, telegram, Numerical File 1199/130.
89 Dawson to Secretary of State, May 4, 1907, telegram, Numerical File 1199/141. McCreery to Root, May 8, 1907, telegram, Numerical File 1199/146.
congressmen were opposed to the treaty and apparently voted for ratification only under pressure from President Cáceres. At one time Cáceres had reached the point where he was ready to suspend the provision of the Constitution which forbade presidential dissolution of congress, in order that he might have a new congress elected. Only with difficulty were Dawson and Foreign Minister Tejera able to dissuade Cáceres from this dangerous course. 90

Root finally decided that the United States could accept the explanatory statements, since they were nothing more than "a matter of construction" and agreed with that which the United States placed on the treaty. However, these statements could not be included with the treaty since this would be tantamount to the President accepting an instrument different from the one approved by the Senate. 91 It was finally agreed that the explanatory statements would be accepted by a mere exchange of diplomatic notes. 92 On July 8, 1907, ratifications were exchanged in Washington, and on July 25, President Roosevelt issued a proclamation declaring the Dominican-United States treaty to be in effect. 93

90 Dawson to Root, May 18, 1907, Numerical File, 1199/169.
91 Root to McCreery, May 9, 1907, telegram, Numerical File 1199/146.
92 Root to McCreery, May 24, 1907, No. 8, Numerical File 1199/170-172. The Dominican Minister (Joubert) to Secretary of State (Root), May 24, 1907; Secretary of State (Root) to Dominican Minister (Joubert), May 24, 1907, FRUS, 1907, Part 1, pp. 310-12.
The failure of the Dominican Congress to ratify the treaty by April 1, 1907, and subsequent delays in ratifying the loan agreement, coupled with the financial panic of 1907, caused the New York bankers to withdraw the original rather liberal agreement. Consequently, a new loan contract had to be negotiated. But this matter was not to concern Dawson. His task ended with the ratification of the convention of February 8, 1907, by the Dominican Congress.

Dawson's part in handling the negotiations which occurred during his last year in the Dominican Republic was much less than in previous years. In part, this is explained by the fact that the negotiations for the debt adjustment and loan contract were conducted in Washington rather than in Santo Domingo City. But it is also true that Dawson had no part in conceiving or formulating the idea of a voluntary debt adjustment between the Dominican Government and its creditors. His suggestion to the Department of State that the Dominican Government and its creditors come to some voluntary agreement concerning the distribution of the trust fund held under the modus vivendi came out of his desire to see the removal of a possible attraction for potential revolutionaries and to demonstrate that there would be no backing out of the basic plan of United States assistance in solving Dominican financial problems. Moreover, by the time Secretary Root received Dawson's suggestion, 94

the Secretary had already grasped the possibility of a voluntary agreement between the Dominican Government and its creditors in a broader scope, that is, as the ultimate answer to senatorial objections to the protocol of February 7, 1905. This does not mean that Dawson was slow in perceiving the advantages of a voluntary agreement. His duty was to implement the policy which had been established and, to achieve that end, his duty was to advise on what measures would maintain a stable situation in the Dominican Republic. Guiding the signed protocol of the treaty through the Senate or formulating a new policy were the duties of the Secretary of State.

Dawson's part in negotiating the convention of February 8, 1907 is also less conspicuous than in the earlier negotiations. In part, this can be attributed to the fact that many of the major points over which contention could have developed had already been smoothed out. In the one place where he could have used his initiative and have accepted the modified version of the article concerning United States approval of the Dominican tariff revision, he failed to do so. The only reason he gave for his action on this point was that he thought it undesirable to agree to the Dominican version before discussing it with Root. This might indicate that Dawson personally felt that the clause did not give the United States adequate control of the tariffs and, since he had the stronger version signed, it was better not to accept the weaker without the Secretary's approval. Nevertheless, he promised to present the Dominican
viewpoint in Washington, and ultimately, this viewpoint was apparently accepted.

If Dawson's part in formulating the new policy and in negotiating the new treaty were minimal, what then was his significance? To answer this question, one only has to look at his travel record for the period between October 16, 1906 and May 21, 1907. In spite of the fact that it had been a year since he had had a leave of absence, and in spite of the fact that he was in poor health, during that period he made three round trips between the Dominican capital and Washington before finally returning to the United States in May, 1907. Dawson's presence was necessary to secure the implementation of the new policy. When the Dominican Government was going too slowly or ran into problems in getting the debt adjustment scheme accepted by the domestic creditors and claimants, Dawson was sent down to lend his assistance. Although he had already been officially assigned to Colombia, his experience made him indispensable in negotiating the treaty of February 8, 1907 and back he went to Santo Domingo. When it appeared that the treaty and loan agreement would encounter opposition in the Republic, he was again sent back. Certainly, the fact that the Dominican Government trusted him aided in resolving any doubts they may have had when the Heyburn-Bass letter gained notoriety. Furthermore, Dawson's beneficial influence over President Cáceres can be seen in his and Tejera's efforts to dissuade the President from resorting to unconstitutional means
to get the treaty ratified by the Dominican legislature. In short, his contribution to the successful ratification of the February 8, 1907 convention was extensive.

In addition to his contribution to the ratification of the treaty, the last year that he spent in the Dominican Republic is also significant in that it demonstrates his changing attitude towards the problem of endemic revolution which confronted the country. Originally Dawson thought that the major problems of the Dominican Republic, fiscal insolvency and revolution, could be solved by implementing a plan which would secure the customhouses for the Government and set aside a portion of the custom revenues for the payment of the creditors. It eventually became apparent to him, however, that the modus vivendi was a mixed blessing, and that in the long run, peace and a stable government depended on more than preventing the customhouses from falling into the hands of revolutionaries. He finally concluded that these goals also depended on maintaining the well being of the small farmers and laborers.

Although Dawson may have been slow in realizing the ill effects of the modus vivendi, that he did realize them attests to his ability to learn from his observations. Moreover, his evaluation of the underlying causes of the revolutionary instability of the Republic demonstrates his deepening understanding of politico-economic problems of the country.

It is understandable that, once United States control over Dominican finances had been established and the financial
problems besetting the Republic apparently solved, Dawson should take some satisfaction in having completed his mission. Writing to his friend Charles Dawes in June, 1907, Dawson noted that he wanted to have a long talk with Dawes about the struggles of the past three years. "I pulled it off finally," he wrote, "but the chances were against me at nearly every stage."95

Dominican reaction to Dawson and his achievements was undoubtedly mixed. Among those who accepted United States interference in the financial affairs of the Republic and those who benefited from the moral support lent by the United States navy, it is not unlikely that he was considered a friend. In late December, 1906, R. E. Pollock, who had been left in charge of the Legation during Dawson's absence, informed the State Department that news of Dawson's transfer and promotion to the United States Legation in Colombia had produced expressions of regret among his many friends in Santo Domingo. Pollock went on to state that Dawson was "regarded as a just and honorable statesman, a wise Diplomat [sic] and a good friend."96 President Cáceres reiterated this sentiment at the formal reception of the new United States Minister, Fenton McCreery. Referring to Dawson, the President noted: "Vuestro antecesor... ha sido un buen amigo de la Republica Dominicana y ha dejado recuerdos

95 Dawson to Dawes, June 6, 1907, Dawes Collection, Name File, 1906-1914, Dawson-Fai, Thomas A. [sic] Dawson Folder.
que le harán grato en todo tiempo." In view of Dawson's continually cordial relations with and unflagging support of the Government, it is probable that this statement was motivated by more than mere convention.

Among those who did not approve of United States interference in the financial affairs of the Dominican Republic, it is doubtful that Dawson's transfer was greeted with much sorrow. Deputy G. Alfredo Morales, the dissenting member of the legislative committee which had been entrusted with studying and reporting on the treaty of February 8, 1907, had submitted a minority report to the Dominican Congress. In his report, Morales argued that the treaty violated Dominican sovereignty and was unconstitutional. Using Senator Heyburn's letter to Bass as evidence, he maintained that the real objective of the treaty was the annexation of the Dominican Republic by the United States. To Deputy Morales, Dawson was a mere instrument of the North American imperialists. The Minister, according to Morales, had completed his assigned task with more adroitness and polish than had earlier annexationists. Nevertheless, even Dawson, the Deputy contended, could not hide his Yankee contempt for "Dominicans as well as all those of the Spanish race." 98

97 McCreery to Root, May 18, 1907, No. 5, enclosure: President Cáceres' speech, Numerical File 3987/15.

To prove this point, Morales observed that at times Dawson had appeared in the Government Palace in slippers, with his trousers turned up, and without a neck tie. 99

Doubtless, Morales chose to interpret Dawson's casual appearance, necessitated by ulcerated feet, as an insult to the Dominican Government. How seriously Morales himself considered this argument might be debated, and certainly the charge that Dawson sought annexation of the Dominican Republic is unfounded. Nevertheless, Morales' speech does indicate that Dawson incurred the enmity of some Dominicans. Since he had been so intimately connected with the various agreements signed between January, 1905 and February, 1907, it is not surprising that, in the minds of some, dislike of the United States-Dominican treaty of February 8, 1907 was coupled with dislike of the Minister who had had such a large part in negotiating it.

If those opposed to the treaty of February, 1907, misinterpreted Dawson's motives and actions, it is also to be noted that Dawson himself never seemed to appreciate fully or to credit seriously the Dominican national sentiment that opposed United States interference. In reporting on the disturbances which occurred in the Dominican capital on December 6, 1905, in reaction to the transfer of marines from the Olympia and the Des Moines to the Scorpion, Dawson attributed the anti-United States sentiment evident at that time to the mistaken belief

99 Ibid.
that the United States troops were actually planning to land and intervene in the quarrel between President Morales and the Horacistas. He further noted that the reaction of the populace "also indicated that in their hearts this people dearly values its independence and would sacrifice their lives in a struggle to preserve it even though they well know that such a struggle would be hopeless." However, in the same report he also stated that he believed the intensity of the popular reaction resulted from circulation of rumors among the lower classes that the United States "occupation or annexation means their oppression, enslavement and even extermination," and that displays of anti-North American sentiment immediately following December 6, 1905, had been confined to young men and "members of the lower classes." Again, in writing to Secretary of State Root in early April, 1907, Dawson reported that among the "well-informed" opponents of the February 8, 1907 treaty there was little fear that the United States intended to annex the Republic. However, he maintained that among the illiterate segment of the populace this remained a real fear. He informed Root that:

The negros [sic] here believe that the Yankee whites would lynch, abuse and reduce them to servitude and want to come here for that purpose. What the Convention really is they don't know and they are inclined to believe when they are told that it provided for annexation or is a flimsy piece of trickery having the same object in view. The existence of


101 Ibid.
such a sentiment has been the cause of nine-tenths of the anxiety and tight places I have been in during the last three years. Sometimes it lies dormant but it is always there ready to be realized by some unforeseeable circumstances. 102

While it is probably true that the lower classes might easily be swayed to oppose the intervention of the United States as the result of reports of what might happen to them at the hands of the Yankees, that Dawson appears to have placed so much stress on this factor for causing actual or potential opposition to the intervention, would seem to indicate that he could not grasp the possibility of a sincere opposition based on nationalistic and patriotic sentiments.

The nine years Dawson had spent in the diplomatic service had provided him with considerable experience, and there would seem to be little doubt that he had decided to remain in the profession. During the time spent in Santo Domingo City, Dawson seems to have made no mention of possibly resigning to seek his fame and fortune elsewhere. To the contrary, in a letter to Assistant Secretary of State Robert Bacon in September, 1906, Dawson wrote, "I love the diplomatic profession and hope that with my increasing experience in it I shall yet be able to do some good work." 103

There were, however, problems which made his service in the Dominican Republic at times personally unpleasant and difficult. 102 Dawson to Root, April 2, 1907, personal, Numerical File 1199/272-273.

103 Dawson to Bacon, September 3, 1906, Dawson's Application and Recommendation File.
perhaps the biggest problem was his health. As has already been mentioned, the long periods in the tropics had weakened his health. In November, 1904, ulcers developed on his feet. In the tropical heat the condition progressively grew worse, frequently forcing him to interrupt his work. By 1906, he was badly in need of a rest in a cool climate. However, it was decided that conditions in the Dominican Republic necessitated his continuance at his post throughout the summer and early fall.104 It was not until May, 1907, that he was able to return to the United States and take a much needed rest. The result of this continuous work was a worsening of his physical condition. In a letter to Secretary Root, in mid-April, 1907, Dawson wrote that he previously thought that his troubles had been confined to his feet and stomach, but his physician recently had told him that he also had "symptoms of cerebral exhaustion."105 Nevertheless, Dawson felt confident that a few weeks in a cooler climate would cure him of these problems, and apparently it did.106

Dawson's work load, of course, was very demanding. In view of the pending protocols and the modus vivendi, it was

104 Ibid.
105 Dawson to Root, April 15, 1907, personal, Numerical File 1199/131.
106 Dawson to Dawes, July 20, 1907, Dawes Collection, Name File, 1906-1914, Dawson-Fai, Thomas A. [sic] Dawson Folder. In this letter, Dawson reported that his doctors had told him that he had been "close to neurasthenia."
necessary for him to keep informed on all political developments within the Republic and to confer almost daily with the principal members of the Government, the Receiver of Customs, the commanders of the United States naval vessels stationed off the Dominican coast, and with the other foreign diplomats assigned to the Dominican capital. Periodic trips to the provincial capitals were also necessary.\(^{107}\) In addition to his duties as resident minister, Dawson also was consul-general and, consequently, responsible for the general supervision of the United States consular matters in the Dominican Republic. Since no provision was made for a secretary of legation, virtually all of the work of the Legation fell upon his shoulders. He was forced to do all his own translating and typing. Funds were available for one clerk who served in both the Consulate-General and the Legation. This arrangement proved to be both insufficient and inefficient. The excessive work load, Dawson felt, affected the quality of his work and his effectiveness as a diplomat. In a despatch to the Secretary of State in late April, 1907, urging appropriation of funds for sufficient clerical staff in both the Legation and the Consulate-General, Dawson noted that as a result of the demands on his time he had not had the necessary time and energy for important negotiations, or to maintain adequate personal contacts. Furthermore, he reported that frequently he had to act without due consideration

on routine but important matters. These arrangements had also prevented him from preparing the consular reports required of him as Consul-General, and had impaired his health.\textsuperscript{108}

The Department of State was not indifferent and did endeavor to improve the situation. The contingency fund and the allowance for the hiring of clerks was increased.\textsuperscript{109} Moreover, in 1906, the Department was able to obtain an appropriation for a secretary of legation for the Dominican mission.\textsuperscript{110} Nevertheless, the arrival of the secretary and the hiring of the necessary clerical staff had not yet occurred when Dawson left Santo Domingo in May, 1907.\textsuperscript{111}

Another hinderance to the efficient performance of his duties, Dawson informed the Department of State, was an insufficient salary. The statutory yearly salary provided for the resident minister and consul-general in the Dominican Republic was $5,000. In addition to this, Dawson received approximately another $1,400 yearly, derived from consular and notarial fees,\textsuperscript{112} and it is not unlikely that he was able to keep his

\textsuperscript{108}Dawson to Root, April 30, 1907, No. 362, Numerical File 2502/3.

\textsuperscript{109}Ibid.

\textsuperscript{110}Adee to Dawson, July 5, 1906, No. 118, Diplomatic Instructions, Santo Domingo, vol. 1, roll 98, p. 118.

\textsuperscript{111}Dawson to Root, April 30, 1907, No. 362; McCreery to Root, June 8, 1907, No. 13, Numerical File, 2502/3-4.

\textsuperscript{112}Dawson to Root, July 23, 1906, No. 268, Despatches from the Dominican Republic, vol. 15, roll 15.
expenses within this limit. Nevertheless, he maintained that the meagerness of his salary compelled him and his family to live "in a way not becoming a representative of the United States" and prevented him from maintaining "those social relations which in a Latin-American country add so much to his [the representative's] real influence and efficiency." In view of the high cost of living in the Dominican Republic, the constant need of protection by North American interests there, the extensive commercial relations and the importance of the political relations between the two countries, and in general, the amount of work handled by the Legation and Consulate-General, Dawson recommended that the salary should be increased to that appropriated for an equal post in Venezuela, Colombia, Costa Rica, or Guatemala. The State Department, following Dawson's recommendation, did include an increase to $10,000 for the salary of the resident minister and consul-general in the budget for the fiscal year 1908. Again, this did not go into effect until after Dawson's transfer to Colombia.


115 Ibid.

116 Bacon to Dawson, November 20, 1906, No. 150, Numerical File 2502/.
Despite his pressing schedule and poor health, Dawson seems to have found some time and energy to devote to the study of the historical development of the Dominican Republic. His investigations were not, however, for mere personal satisfaction. In 1906, he submitted two lengthy memoranda to the Department of State to aid in further negotiations. The first consisted of a chronology of political events in the Dominican Republic from February 27, 1844 to September 30, 1906. 117 The other dealt with the history of the Dominican-Haitian boundary dispute. 118 The depth and value of these documents were fully appreciated by his superiors in Washington. 119

In November, 1904, Dawson agreed to undertake a more ambitious historical study. He agreed to co-author a biography of President William McKinley with Charles G. Dawes. Their work was to be part of the American Statesmen series published by Houghton Mifflin and Company. 120 The book, according to Dawson's outline, was to be based on sound historical research.

117 Dawson to Secretary of State, October 18, 1906, No. 309, enclosure: Chronology of Political Events in Santo Domingo, FRUS, 1906, Part 1, pp. 572-600.

118 Dawson to Secretary of State, June 16, 1906, No. 261, enclosure: Memorandum on the Boundary Question Between Haiti and Santo Domingo, ibid., pp. 600-08.

119 Acting Secretary of State to Dawson, July 11, 1906, No. 120; Acting Secretary of State to Pollock, October 31, 1906, unnumbered, ibid., pp. 600-08.

120 Dawes to Dawson, September 29, 1904, Dawes Collection, Letter Press Books, August 19, 1904 to November 16, 1904, p. 235. Dawson to Dawes, November 3, 1904, Dawes Collection, July-December, 1904, File D.
He proposed that he and Dawes check the secondary literature, conduct personal interviews and use the late President's personal letters. Dawes' business commitments forced him to withdraw from any active participation in the project. Nevertheless, Dawson insisted that his friend's name must appear on the title page regardless of any actual contribution. Dawson, in fact, did begin the research while back in the United States on leave, in the summer of 1905. Apparently, his own duties prevented him from doing much work on the biography until the summer of 1907. The manuscript was to be completed by the following spring, with publication scheduled for the fall of 1908. A rough draft of the biography was probably finished; but, Dawson never had time to complete the task.

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121 Dawson to Dawes, November 3, 1904, Dawes Collection, July-December, 1904, File D.

122 Dawes to W. B. Parker c/o Houghton, Mifflin Co., December 31, 1904; Dawes to Dawson, December 31, 1904; Dawes to Dawson, January 6, 1905; Dawes to W. E. Both c/o Houghton, Mifflin and Co., January 6, 1905, Dawes Collection, Letter Press Book, November 17, 1904 to March 6, 1905, pp. 331, 332, 374-76.

123 Dawson to Dawes, January 31, 1905, Dawes Collection, January-June, 1905, File D.

124 Dawson to Dawes, July 3, 1905, Dawes Collection, July-December, 1905.

125 Dawson to Dawes, July 4, 1907, Dawes Collection, 1906-1914, Name File, Dawson-Fai, Thomas A. [sic] Dawson Folder. Dawes to Dawson, July 12, 1907, Dawes Collection, Name File, President McKinley Folder.

126 Dawes to W. B. Parker, Century Magazine, May 3, 1912, Dawes Collection, Letter Press Book, Personal Letters, January 22, 1912 to November 16, 1912, p. 427. In a letter to Mrs. Dawson, shortly after her husband's death, Dawes inquired about the manuscript and requested that, if it could be found, it be sent.
In contrast with his Brazilian service, Dawson seems to have been contented with his position in the Dominican Republic. There is no indication that he was looking for immediate promotion. It would have been difficult for Dawson not to realize the importance of his work in the Dominican Republic, and, in part, this satisfaction may have resulted from the belief that the Dominican assignment would provide a basis for further advancement. If this were his conviction, it was certainly bolstered by Dawes, who assured him that he was making a name and reputation for himself which he "could not have done in some of the more high salaried embassies." "All of these," he wrote, "will come later." 127

Despite his satisfaction with the post in Santo Domingo, Dawson did apply to accompany Secretary of State Root on his trip to the Pan-American Conference held at Rio de Janeiro in 1906. Dawson felt that his knowledge of Spanish, Portuguese and French and his acquaintance with the Brazilian politicians to him. He would then attempt to prepare it for publication. Dawes to Mrs. Louisa Dawson, May 7, 1912, ibid., 446-47. It is difficult to say whatever happened to the manuscript. There is no indication that Mrs. Dawson either found it or forwarded it to Dawes. Moreover, while Houghton, Mifflin Company's catalogue for 1904 does list The Life of William McKinley by T. C. Dawes as being in preparation, no further reference is made to the book nor do the Company's records apparently contain any contract or indicate receipt of a manuscript. Mrs. Barbara E. Amidon, Permissions Department, Houghton, Mifflin Company, to the author, October 17, 1969.

127 Dawes to Dawson, May 6, 1905, Dawes Collection, Letter Press Book, March 6, 1905 to July 11, 1905; also see Dawes to Dawson, February 3, 1905, Dawes Collection, Jan-June, 1905, File D. Dawes to Dawson, February 1, 1906, Dawes Collection, Letter Press Book, December 6, 1905-April 13, 1906, p. 380.
and those from other Latin American countries might be useful to the Secretary of State. There were also family reasons for wanting to return to Brazil. His wife was anxious to see her family and show off the children. Moreover, the experience in the Dominican Republic had been a strain on both Dawson and his wife and he felt that a rest would be to their benefit.\textsuperscript{128} Root, however, decided to keep his party as small as possible,\textsuperscript{129} and Dawson was informed that it had been decided not to include any incumbent diplomatic officer in the Secretary's delegation.\textsuperscript{130}

There is also little indication that Dawson took an active part in the United States domestic politics while he was in Santo Domingo City. The pressure of his work at the Legation, of course, would have prevented him from returning to the United States to participate in the presidential campaign of 1904, as he had done in 1900. He did, however, make a $50.00 contribution toward the expenses of the Republican National Committee.\textsuperscript{131} Naturally, he rejoiced in Roosevelt's

\textsuperscript{128} Dawson to Root, January 29, 1906, unnumbered, Dawson's Application and Recommendation File.

\textsuperscript{129} Root to the President, December 14, 1905, Root Papers, Letter Book, October 20, 1905-February 15, 1906, part 1, p. 183, Box 186.

\textsuperscript{130} Root to Dawson, May 17, 1906, unnumbered, Diplomatic Instructions, Santo Domingo, vol. 1, roll 98, p. 111.

\textsuperscript{131} Dawson to Dawes, September 13, 1904, Dawes Collection, July-December, 1904, File D. Dawes to Dawson, September 28, 1904, Letter Press Book, August 19, 1904 to November 16, 1904, p. 233.
victory.\textsuperscript{132} This apparently was the extent of his direct involvement in the affairs of the Republican Party.

However, while political patronage still dominated the diplomatic service, President Roosevelt and Secretary of State Root were attempting to improve the quality of United States representatives by assigning competent men to critical posts.\textsuperscript{133} Consequently, it is possible that political considerations may have had little or no bearing on Dawson's appointment to be United States Minister in Bogotá, Colombia. Colombian-United States relations had not yet recovered from the strain placed upon them by the involvement of the United States in the Panamanian revolution of 1903. A skilled diplomat, experienced in handling Latin American politicians was needed to fill the post being vacated by John Barrett who had resigned to become the Director-General of the International Bureau of American Republics. Certainly Dawson's extended service in the area, particularly his successful handling of the negotiations in the Dominican Republic and extensive knowledge of the history of South America fitted him admirably for this new post.

\textsuperscript{132} Dawson to Loomis, December 17, 1904, personal, Despatches from the Dominican Republic, vol. 13, roll 13.

\textsuperscript{133} Munro, \textit{op. cit.}, p. 22.
Although Dawson's commission as Envoy Extraordinary and Minister Plenipotentiary to Colombia was dated January 10, 1907, it was a little over nine months before he presented his letters of credence to the Colombian president.\(^1\) Preoccupation with Dominican affairs, his own poor health, and that of his wife account for this delay. During the summer of 1907, Dawson and his wife rented a house in Falmouth Foreside, Maine. There he recuperated and worked on the McKinley biography, while Mrs. Dawson awaited the birth of their third child.

If Dawson's health alone had detained him, it is possible that he would have left for his new post in the early summer. Considering the difficulty of the journey to the Colombian capital, however, he felt that it was impossible for him to go before his wife was able to accompany him.\(^2\) By late August, the baby, their second son, had been born and Mrs. Dawson was well enough to begin the trip. Consequently, on the thirty-first,


\(^2\) Dawson to Bacon, July 2, 1907, Numerical File 2765/12.
the family started on the trip to Colombia. After brief stops in Kingston, Jamaica, and Baranquilla, Colombia, they arrived at Cartagena in late September. From there, they began the arduous journey by rail, steamboat, and finally mule to the capital. Bogota was finally reached on October 9.

The trip from the Caribbean coast to the capital was long and undoubtedly trying. However, it did provide Dawson with an opportunity to meet and talk with several Colombians. From these conversations and observations, he was able to draw some conclusions, which he admitted might be premature, concerning the "national character and ideals" of the Colombians. Personally he had found those whom he met to be polite, respectful to authority, and courteous to foreigners. In political and social affairs, he gained the impression that the President, General Rafael Reyes, and the Catholic Church were the dominate influence in the country. Diplomatically, a major obstacle to cordial relations between the United States and Colombia remained the bitterness felt by the Colombians towards the United States as a result of the latter's involvement in the Panamanian revolution of 1903. On this point, Dawson was led to conclude that Colombian public opinion had become reconciled to the loss of Panama, and that resentment towards the United States was "mostly confined to the office-holding classes."

3 Dawson to Root, August 10, 1907, No. 1, Numerical File 2765/14.

4 Dawson to Root, October 15, 1907, No. 2, Numerical File 2765/17.
He, therefore, felt that this resentment would probably be less important in his work than he had originally been led to believe.\textsuperscript{5}

There can be little doubt that in promoting Dawson to Colombia, Secretary of State Root hoped that the new minister would work towards an improvement of United States-Colombian relations.\textsuperscript{6} The cordial reception which Dawson received at his formal presentation to the Colombian President, on October 16, seemed to indicate that the Secretary of State's anticipation would be fulfilled. In reporting on the official presentation, Dawson wrote: "I feel that my mission here has begun on a favorable footing and that the lack of success, if it comes, will be due to my own mistakes or to events not to be controlled."\textsuperscript{7}

The initial steps towards a rapprochement between the two countries, in fact, had already been taken by the time Dawson arrived. His immediate predecessor, John Barrett, who, as was previously mentioned, had resigned as Minister to Colombia to become Director General of the International Bureau of American Republics, had proven to be a sympathetic friend of Colombia and had made an effort to establish personally cordial

\textsuperscript{5}\textit{Ibid.}

\textsuperscript{6}Root to Dawson, March 2, 1907, unnumbered, Numerical File 2765/6B.

\textsuperscript{7}Dawson to Root, October 21, 1907, No. 3, Numerical File 2765/18. For a description of the official reception and for the speeches delivered by Dawson and Reyes, see enclosures three and four with the same despatch.
relations with the Colombian Government. More important was the attitude and steps taken by General Rafael Reyes, who became the President of Colombia in 1904. In domestic affairs, Reyes governed in a dictatorial fashion, dismissing the elected congress and calling a national assembly composed of members selected by himself. He did succeed, however, in restoring Colombian international credit and in securing some internal improvements. In the area of international relations, Reyes took steps early in his administration to achieve a rapprochement with the United States. To resolve the problem of Panamanian independence, he initially suggested a plebiscite in Panama, with other differences between Panama and Colombia being settled by means of a treaty and arbitration. However, the Department of State rejected the idea of a plebiscite. Reyes then sent Diego Mendoza Pérez as his Minister to Washington. Mendoza was to treat with the United States Government on the various questions pending before the two countries. However, in his negotiations with the Department of State, Mendoza maintained that the United States was responsible for the Panamanian Revolution and insisted that the interpretation


of the United States-Colombian treaty of 1846, under which the United States had claimed the authority to prevent Colombian intervention to suppress the Panamanian revolution, be submitted to arbitration. 10

It seemed likely that at this juncture a complete break in diplomatic relations between the two countries might occur. However, in a meeting with Minister John Barrett in May, 1906, President Reyes again indicated his desire to come to some agreement with the United States and Panama. While rejecting the idea of arbitration or indemnity, he suggested a new basis for the agreement. This plan included a treaty of commerce and friendship between the United States and Colombia which would assure the latter of special privileges in the use of the canal, and provide for Colombian recognition of the independence of Panama, and Panama's assumption of a proportion of the Colombian national debt. 11 The plan was favorably received in Washington, and when an invitation was extended to Root to visit Cartagena in the summer of 1906 during his return trip from the Pan-American Conference in Rio de Janeiro, he accepted. On September 24, 1906, Root and Barrett met with the Colombian Foreign Minister Vázquez Cobo at Cartagena. Their discussion centered around a Colombian memorandum containing the basis for a United States-Colombian treaty. This

11 Ibid., pp. 431-33.
plan was similar to that discussed by Barrett and Reyes in May. After Root's return to Washington, negotiations looking towards tripartite agreements among Panama, Colombia, and the United States were undertaken with the new Colombian Minister, Enrique Cortes, and the Panamanian Minister Jose D. Obaldía.

By the summer of 1907, these negotiations had bogged down on two points: the proportion Panama was to assume of the Colombian national debt, and the exact boundary between Panama and Colombia. These problems seemed to be resolved in July, 1907, when Secretary of War William H. Taft, who was assisting in the negotiations, was able to secure Colombian consent to accept $2,500,000 as the Panamanian share of the debt, and to submit the boundary question to arbitration.

However, before Minister Cortes would finally agree on the boundary issue, it was necessary for Root to assure him that the United States accepted the boundary of Panama as that established by the law of New Granada of June 9, 1855. On August 17, 1907, protocols were signed in Washington between the Panamanian and Colombian representatives providing for a treaty on the basis of Colombian recognition of Panama's inde-

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13 Memorandum, October 8, 1906, Numerical File 1502/1-2.
15 Taft to Athos (Root), July 7, 1907, Numerical File 1502/31 1/2.
16 Cortes to Root, August 18, 1907; Root to Cortes, August 26, 1907, Numerical File 1502/55. Parks, op. cit., p. 434. Jessup, op. cit., I, 524.
pendence, Panama's recognition of Colombia's claim to 50,000 shares of the New Panama Canal Company stock, and Panama's agreement to turn over to Colombia the first ten payments received from the United States under the Hay-Bunau Varilla Treaty of 1903. 17 The actual negotiating of the treaties was to be postponed until December, 1907. 18

In spite of the progress in negotiating the treaties, the prevailing sentiment in Bogotá for rapprochement with the United States, and Dawson's early observations on the decline of Colombian bitterness towards the United States, there were still indications that all had neither been forgiven nor forgotten. This point was clearly brought out in several despatches which the State Department received in the summer and fall of 1907. In June, William Heimké, the United States Chargé in Bogotá, reported that on June 18, the Diario Oficial noted that it was the intention of the Colombian Government to establish diplomatic relations with Japan. According to rumors, Heimké wrote, the real objective of this move on the part of the Colombian Government was to form an offensive and defensive alliance with Japan, and to cede to that country coaling stations on both the east and west coasts of Colombia. These would, of course, be used by the Japanese navy in the event of war with the United States. Since the establishment of coaling stations so close to the Panama Canal would de-

17 Parks, op. cit., p. 434.
Finally be detrimental to United States interests, Heimké gave more than passing interest to this rumor. In August, the Department of State received a further report of a Japanese-Colombian alliance. This time the report came from the United States consul at Maracaibo, Venezuela. To further substantiate his earlier report, in late September, Charge Heimké forwarded a copy of an article entitled "Colombia y el Japón" which had appeared in the June 3, 1907 issue of the semi-official paper El Nuevo Tiempo. Heimké reported that he had been able to ascertain that the author of the article was none other than the subsecretary of the Foreign Office. In this article, the author forecast the extension of diplomatic and commercial relations between the peoples of Asia and the Americas, with the two forming an alliance to thwart European and North American imperialism. Moreover, he predicted an eventual war between the United States and Japan over the control of the Pacific. In foreseeing this conflict, the author noted that the Japanese would be looking for strategic possessions and hinted that their sights would be turned to Central and South America. Even if the war never materialized, he thought that "los japoneses pueden ser nuestros futuros grandes amigos." They would help populate the country,

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19 Heimké to Root, June 20, 1907, No. 198, confidential, Numerical File 7804/1.

20 Eugene Plumacher to Bacon, August 7, 1907, Numerical File 7804/5.
and assist in the building of canals and railroads.\textsuperscript{21} Although the article may have indicated the intention of the Colombian Government to institute closer relations with Japan, it is to be noted that the Reyes Administration evidently also intended the article to serve as a prod to urge upon the United States the importance of maintaining good relations with Colombia and quickly concluding the negotiations then under way in Washington.\textsuperscript{22}

Nevertheless, the idea of the inevitability of war between Japan and the United States was widespread in Colombia; upon his arrival, Dawson himself observed it and reported accordingly to Washington. In a despatch to the State Department in late October, he noted several articles demonstrating this widely held belief which had appeared in Colombian newspapers. One of these, an article from a Barranquilla paper, quoting from a correspondent living in Panama maintained that as soon as it was known that the Japanese fleet was bombarding San Francisco, California, Colombians all over South and Central America would rush to place their services at the disposal of the Japanese Government, thereby vindicating the national honor of their country.\textsuperscript{23}


\textsuperscript{22}Heimke\' to Root, September 26, 1907, No. 234, Numerical File 7804/2.

\textsuperscript{23}Dawson to Root, October 31, 1907, No. 8, Numerical File 9271/7.
Further indications of closer relations between Colombia and Japan were also coming from the United States Embassy in Tokyo. In January, 1908, Ambassador Thomas J. O'Brien sent Washington an extract of an article which appeared in a Japanese newspaper. This article gave an account of the actions of one Mr. Izquierdo, a Colombian citizen, who had visited several Government Ministers and was making proposals for Japanese immigration to Colombia.24

The possibility of a Japanese-Colombian treaty providing for Japanese coaling stations off the Pacific and Caribbean coasts of Colombia would naturally have been of great concern to Washington at any time. However, the news of this supposed treaty and of the closer relations developing between Japan and Colombia arrived at the State Department at a particularly crucial point in United States-Japanese relations and thus caused even more concern. In the late spring and early summer of 1907, United States-Japanese relations were shaken by a war scare brought about by political and press reaction in Japan to discrimination against Japanese immigrants in California. The United States press also made its contribution to the war fever. In fact, however, there was no disposition in either the Japanese or United States Governments for war, and with the passage of time the war scare subsided to flare up less violently later in the year and again in 1908.

24 O'Brien to Root, January 17, 1908, No. 149, Numerical File 7804/7-8.
Nevertheless, in 1907, the belief that war between Japan and the United States was inevitable was widely held. In England, France, and Germany, Japan was considered to be a five to four favorite to win in any conflict with the United States.25

Hence, the war scare combined with the reports from Bogotá, Maracaibo, and Tokyo and the State Department's own observations of increased intimacy between the Colombian Minister and the Japanese Ambassador in Washington, led to the serious consideration of the possibility of a Japanese-Colombian treaty. On March 7, 1908, Dawson was instructed "discreetly to use every effort either to disprove or to substantiate the existence of such an agreement, and if it exists to ascertain its terms." He was informed that the Department considered this information "of some importance" and a moderate expense incurred during the investigation would be met by a separate account. Dawson was assured that there had been no break in the friendly relations between the United States and Japan. However, the possibility of a Japanese-Colombian treaty had "a bearing upon the Monroe Doctrine, which makes it very interesting and worthy of attention."26


26 Root to Dawson, March 7, 1908, No. 25, confidential, Numerical File 7804/9.
While this despatch did not reach Dawson until early May, 1908, he was quickly able to obtain some important information. He learned that prior to his own arrival in Bogotá, president Reyes had sent the aforementioned Antonio Izquierdo to Japan for the purpose of arranging for Japanese immigration to Colombia. He was further able to obtain a telegram that Izquierdo had sent to Reyes, stating that contracts with steamship companies for immigration had been agreed upon, and as soon as a treaty was signed, the Japanese Government would send agents to inspect the sites for Japanese settlements. A later telegram from Izquierdo, Dawson reported, concerned trade and immigration but made no mention of coaling stations. Dawson believed that at the time Reyes sent Izquierdo to Japan, the President had in mind not only immigration but also a treaty providing for Japanese coaling stations on the Pacific coast of Colombia. However, Dawson thought that it was unlikely that he could get any direct proof of this latter point unless, by chance, he got hold of Izquierdo's instructions. He would continue his inquiries, he wrote, and report later. 27

Dawson was correct in assuming that Reyes was planning to negotiate a treaty with Japan. However, he erred as to the extent of the treaty and the place where the negotiations were to take place. Enrique Cortes, the Colombian Minister

in Washington, not Izquierdo, was entrusted with the task. 28

On July 20, 1908, Dawson wrote to the State Department that he had just ascertained that on May 26, Cortes and Baron Takahira, the Japanese Ambassador in Washington, had signed a treaty of friendship, commerce, and navigation. He was unable to secure a copy of the treaty but promised to forward one to Washington as soon as he could. 29

On July 24, 1908, the Takahira-Cortes treaty was read and discussed in a secret session of the Colombian National Assembly; but, by the thirtieth, Dawson was able to get the major provisions. The treaty provided for the exchange of diplomatic and consular representatives. In addition, the citizens of one country residing in or emigrating to the other were to be free from military service, and were to enjoy commercial and civil rights, and religious freedom. Dawson noted that the treaty obviously contemplated Japanese emigration to Colombia; however, he stated that he had no reason to believe that any contracts or arrangements for this immigration had yet been made. Nor did he have any basis for believing that a secret clause providing for Japanese coaling stations had been included in the treaty. Nevertheless, he

28 O'Brien to Secretary of State, December 17, 1908, No. 537, Numerical File 7804/34.

29 Dawson to Root, July 20, 1908, No. 128, Numerical File 7804/12.
reported that he would continue to investigate this point. By August 6, he was able to forward a Spanish copy of the treaty to Washington. Still there was no indication of a secret clause.

In fact, it would seem that the principal objective of the treaty simply was Japanese emigration to Colombia. However, Dawson's original contention that Reyes had contemplated more than this when he initially sent Izquierdo to Tokyo evidently possessed some foundation. Paxton Hibben, the Secretary of the Legation who was acting as charge during Dawson's absence from Colombia in October, 1908, reported that he had received information from an informant close to the Foreign Minister that Reyes originally intended a closer alliance than that achieved by the Cortes-Takahira treaty. Hibben's informant, however, stated "with confidence" that no secret clause existed. Moreover, the Japanese immigration scheme would be dropped if the negotiations in Washington on the United States and Panamanian treaties were successful. Evidently, the reason for this decision was popular hostility in Colombia to the influx of Japanese immigrants, uncertainty as to United States reaction, and the hope that the money

30 Dawson to Root, July 30, 1908, No. 133, confidential, Numerical File 7804/13.


32 Hibben to Root, October 27, 1908, No. 184, confidential, Numerical File 7804/23.
received from Panama by the treaty and the privileges accorded Colombia in the use of the canal would contribute more to Colombian prosperity than any arrangement with Japan. 33

It is difficult to say from whom Dawson and Hibben obtained their information concerning Izquierdo's mission to Japan and the Cortes-Takahira treaty. It is possible that it was supplied to them by their friends among the President's family or from contacts in the Foreign Office. It is also possible that they might have resorted to bribery. In December, 1908, Dawson submitted a request to the Department of State for the sum of $58.00, the amount he had expended on the investigation of the Colombian-Japanese treaty. While this was certainly a small sum, there seems to have been an aura of intrigue over the entire operation. 34

Whatever President Reyes' motives in taking steps to form a Colombian-Japanese treaty, it would seem that during his time in Colombia, Dawson continued to work towards a better understanding between the United States and Colombia. Insofar as his personal relationships were concerned, he seems to

33 Hibben to Root, October 27, 1908, confidential, Numerical File 7804/23. Chargé Hibben noted that there was considerable opposition from the Catholic hierarchy in the area where the settlement of Japanese immigrants was proposed. Consequently, he suggested that if the Department of State were determined to oppose the influx of these immigrants into Colombia it might be profitable to work through the Church in doing so. Hibben to Secretary of State, December 5, 1908, Numerical File 7804/27.

34 Dawson to Root, December 18, 1908, unnumbered, Numerical File 7804/26.
have succeeded admirably in gaining the acceptance and favor both of the Colombian Government and the high society of the capital. Dawson's own pleasant disposition, refinement and interest in Colombia, coupled with his wife's grace and charm, were all certainly assets in gaining an entrance to the polite society of the capital.  

Among his most intimate personal friends in Bogota were two of President Reyes' nephews, Luis Felipe and Climaco Calderón. The latter had served as Colombian Minister to Washington and at one time Foreign Minister. Furthermore, the Reyes Government came to value Dawson's presence in Bogotá. In his report to the Colombian National Assembly in July, 1908, Foreign Minister Francisco José Urrutia, who had replaced Vásquez Cobo in March, 1908, noted that both the Colombian Minister in Washington, Enrique Cortes, and Dawson "have taken pains to maintain the good understanding between the northern Republic and Colombia."

When Dawson took a leave of absence in September, 1908, the Colombian Foreign Minister, in a private letter to Minister Cortes, urged: "Would to God that when you speak to Mr. Root, you would express to him in the name of this Government that . . ."


36 Dawson to Root, March 10, 1908, No. 60, Numerical File 5025/24. In March, 1908, another brother, Victor Calderón, whom Dawson knew only slightly became Minister of War. Ibid.

37 Report of Francisco José Urrutia, Colombian Foreign Minister to the Deputies of the National Constituent and Legislative Assembly, July, 1908, Numerical File 5025/61.
Mr. Dawson has made himself deserving of the highest esteem for his relevant qualifications as a gentleman and as a diplomat. It would be a real pity if he were not to come back to his post. . . ."38 The Colombian Government's esteem for Dawson and that of his Colombian friends was again reflected in communications to the Department of State at the time of his transfer to Chile, in 1909.39

Dawson's concern for maintaining good relations, avoiding incidents which might stir up anti-Yankee sentiment, and attempting to understand the problems confronting the Colombian Government are, to some extent, demonstrated in his handling of two cases involving the protection of United States commercial interests. In 1907, Holt and Company of New York, a flour exporter, in a letter to the Department of State, argued that the imposition of an import tax on flour by the Reyes Government had resulted in the decline in the amount of United States flour exported to Colombia. The Company urged that the State Department threaten to impose a three cent tariff on Colombian coffee, as was authorized by the Dingly tariff of 1897. This threat alone, the Company felt, would be sufficient to secure a reduction of the Colombian

38 Extract from a private letter of the Minister of Foreign Affairs, September 15, 1908, to the Colombian Minister in Washington, handed to the Secretary of State by the Colombian Minister, October 19, 1908, Numerical File 1502/91.

Dawson, however, argued against such a course of action. He thought that the threat to impose an import tax on Colombian coffee would only serve to antagonize Colombia. Furthermore, he did not believe that the Colombian tax violated the favored nation clause of the 1846 treaty with the United States. In another case involving a West Virginia corporation known as the Cauca Company, a concern which had a railroad building concession and whose claim amounted to $193,204.02 plus six per cent yearly interest from January 26, 1898, Dawson diligently represented the North American corporation's interest, but continually informed the Department of State that the Colombian Government was not delaying because of any reluctance to pay, but simply because the financial conditions of the country were such that it could not make immediate or large monthly payments.

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40 Holt and Company to Root, April 9, 1907; Sanderson and Son (Agents for the Royal Mail Steam Packet Company) to Root, April 9, 1907, Numerical File 5775/-1.

41 Dawson to Root, August 20, 1908, No. 148, Numerical File 5775/6. Dawson's position on the threat to impose the import tax on Colombian coffee was similar to that taken by Charge William Heimké who was in charge of the Legation prior to Dawson's arrival in Bogotá.

42 Dawson to Root, February 12, 1908, No. 51; Dawson to Root, February 12, 1908, No. 51; Dawson to Root, March 12, 1908, No. 63; Dawson to Root, March 21, 1908, No. 67; Edwin Denby to Bacon, February 2, 1909, Numerical File 2086/64, 66, 69, 72-73, et passim.

The Cauca Company's claim had its origin in a concession granted by the Colombian Government to one James L. Cherry of San Francisco, California in 1890. Under this concession Cherry was to build a railroad from Port Buenaventura to the city of Cali. Cherry shortly thereafter sold his
These two instances do not, in any way, indicate that Dawson was not interested either in protecting United States concession to the Cauca Company which had been incorporated under the laws of West Virginia. This Company undertook the building of the railroad, and did, in fact, complete a portion of it. However, in 1894, a dispute arose with Colombia and the Government decided to confiscate the concession. At that time the State Department intervened on behalf of the Company on the grounds that the Colombian Government's action was a denial of justice under the concession. The Colombian Government agreed to negotiations with the Company, and an agreement was eventually reached which provided that the Government would receive the railroad for the actual cost of the construction. Two-hundred thousand dollars was paid to the Company and any further payment was to be determined by a commission consisting of the Secretary of State, the Colombian Minister in Washington and a third commissioner, who eventually turned out to be Professor Lewis M. Haupt of Philadelphia. An award against Colombia was finally handed down by this Commission in October, 1897. Colombia ultimately appealed the award to the United States Supreme Court, where, except for minor alterations, it was upheld. The entire amount to be paid by Colombia, under this award, was $393,204.02 less the $200,000 which had already been paid. In addition, six per cent yearly interest was to be paid on the unpaid portion beginning with January 26, 1898, the date of the original payment. The final decree was handed down on July 16, 1903, and the formal demand for payment was made on July 23, 1903. In August, 1903, the Company asked the Department of State to take some action; but, evidently, no action was taken. In October, 1906, Representative Edwin Denby, of Detroit, Michigan, wrote to James B. Scott the Solicitor of the State Department asking that some action be taken on behalf of the Company, some of whose stockholders lived in his district. As a result of this letter, in February, 1907, Chargé Heimké was instructed to bring the matter to the attention of the Colombian Government and to use his "good offices in order to obtain a settlement of the liability." While not contesting the Company's claim, the Colombian Government decided to transfer negotiations to Washington in the hope of having the Company agree to reduce the interest. This is where the matter stood until Dawson was instructed to bring the matter again to the attention of the Colombian Foreign Minister in January, 1908. Edwin Denby to James B. Scott, October 27, 1906; Root to Heimké, February 23, 1907; Lane and Schramme Attorneys in Fact for Cauca Company to José M. Passos (Colombian Chargé in Washington), October 1, 1907; Root to Dawson, January 3, 1908, No. 10, Numerical File 2086/1, 57, 62.
commercial interests in Colombia or in seeing the extension of Yankee enterprises in that republic. The contrary is actually true. In the case of the Cauca Company, as has been noted, he did his best to secure a settlement satisfactory to the Company. Moreover, in January, 1908, as a result of the greatly fluctuating rate of exchange, Dawson advised North American exporters both to exercise great caution in giving credit to Colombian importers and not to extend their operations for the present time. However, he recommended that the time was propitious for establishing mining and industrial enterprises. Again, the rate of exchange prompted him to make this suggestion. Wages were, of course, paid in Colombian currency and, since the workers principally used goods of domestic manufacture or production, a rise in the rate of exchange would not necessitate a proportionate rise in wages. "The net result," he reported, "would be that the employer, who pays his labor from funds obtained by the sale of foreign drafts, would get it cheaper." 43

The most important issue in Colombian-United States relations during Dawson's assignment to Bogotá was, of course, the Colombia-Panama-United States treaties then being negotiated in Washington. Dawson had no part in the initial negotiations and only a minor role in their later phases. His contribution in the matter of the treaties seems to have been confined to three points: advising the Reyes Government to

43 Dawson to Root, January 25, 1908, No. 45, confidential, Numerical File 10717/1.
avoid any action which might endanger the negotiations, lending some assistance in the last phase of the negotiations, and finally urging Reyes to secure their ratification.

By the time he arrived in the Colombian capital, the preliminary negotiations had been concluded and the protocols outlining the basis for the treaties had already been signed. However, the boundary issue continued to present a difficulty. In spite of Root's acceptance of the boundary as defined by the New Granada law of 1855, the Panamanians attempted to extend their control beyond these limits. In mid-September, 1907, a small Panamanian party visited, and, for all practical purposes, occupied the little village and port of Jurado, on the Pacific coast about ten miles south of Point Ardita. The Colombian Government claimed that this area lay within the Colombian department of Choco and, not unnaturally, interpreted the Panamanian action as an attempt to extend Panama's jurisdiction prior to the conclusion of the treaty. The Panamanians, however, contended that Juardo had been under the jurisdiction of the former Department of Panama since 1898, and that by occupying the village they were not actually disturbing the status quo.

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44 Parks, op. cit., p. 434.
46 Squiers to Secretary of State, telegram, November 19, 1907, Numerical File 9271/6.
The Panamanian occupation of Jurado was the first problem to confront Dawson upon arriving in Bogotá in October, 1907. When the matter was brought to his attention, he wired the news to Washington, and advised Vásquez Cobo, the Colombian Foreign Minister, against taking any hasty or violent action. For the time being, the Reyes Government decided to work through the United States in an attempt to dislodge the Panamanians. However, pressure was being exerted on Bogotá by the provincial authorities in Chocó to grant them permission to expell the intruders. The possibility of an unauthorized or accidental clash between Colombians and Panamanians, in the disputed area, was growing progressively more likely. Moreover, the Government itself was fearful that its inaction might be interpreted as a willingness to cede more Colombian territory. Such a stand, of course, would not be tolerated by Colombian public opinion. Dawson continued to advise against the use of force. He assured the Colombian Foreign Minister that the diplomatic course which the Government had decided to follow would be far better calculated to gain the support of Secretary of State Root than the use of force. He further pointed out that since Root had apparently decided that the boundary laid down by the 1855 law was the


48 Dawson to Root, November 18, 1907, No. 17, Numerical File 9271/21.
correct one, the Panamanians would not receive United States support in claiming additional territory. 49

Dawson's assurances were well founded. Secretary of State Root remained firm in his support of the Colombian position and finally indicated that the United States would have no objection to Colombia extending its jurisdiction over the disputed territory. 50 On March 22, 1908, the region was, in fact, occupied by a Colombian military expedition. This action had the salutary effect for the Reyes Government of stopping opposition arguments that the treaty negotiations would lead to the cession of more Colombian territory. 51 Root offered no solace when the Panamanian Government called upon the United States to intervene and protect the integrity of the Republic as provided in the Hay-Bunau Varilla Treaty of November 18, 1903. 52 He informed the Panamanian Legation in Washington that the United States did not consider the Colombian action or, for that matter, the boundary dispute with Colombia, as in any way endangering the independence of the Republic of Panama. Furthermore, the Secretary pointed out that the treaty of 1903 could not be interpreted in such a way

49 Ibid.
50 Dawson to Root, March 6, 1908, No. 58, Numerical File 1502/84.
51 Dawson to Root, April 13, 1908, No. 80, Numerical File 9271/46.
52 Arango to Root, April 3, 1908; Arango to Root, April 5, 1908, Numerical File 9271/34, 37.
as to mean that the United States was obliged to accept the validity of the Panamanian view in every international controversy involving that republic. Specifically concerning the Jurado district, Root noted that he accepted the boundary line of 1855, and the nationality of Jurado depended on its location in reference to that line. 53

Colombian occupation of Jurado did not settle the boundary issue. In fact, the Colombian and Panamanian positions seemed to be irreconcilable. Since arbitration on the boundary would only serve to delay the final settlement with the United States and Panama, the Colombian Government preferred not to resort to this solution. 54 Minister Cortes in Washington agreed to proceed with the negotiations on the basis of not mentioning the boundary issue in the treaty. 55 However, still fearing accusations of being willing to cede Colombian territory, the Reyes Administration thought it essential that the treaty include a boundary clause. 56 The solution ultimately adopted was partly to delimit the Panama-Colombian boundary, while leaving the ownership of the

53 Root to Arosemena, May 14, 1908, Numerical File 9271/38.
54 Dawson to Root, March 6, 1908, No. 58, Numerical File 1502/84.
55 Parks, op. cit., p. 434.
56 Dawson to Root, March 6, 1908, No. 58, Numerical File 1502/84.
Jurado region to be settled by arbitration. 57

On September 20, 1908, Dawson left Bogota to return to the United States for a leave of absence. 58 Before leaving, he called upon President Reyes. At that time, Reyes expressed his urgent desire that the treaties with Panama and the United States be concluded as soon as possible. Dawson, in turn, offered to join with Root and Cortes in working towards the successful completion of the negotiations. 59 Once back in Washington, Dawson apparently conferred with Minister Cortes, and it is possible that he may have taken some part in the negotiations. However, it is impossible to say what he actually did. 60

On January 9, 1909, the tripartite treaties were finally signed. In the treaty between Panama and the United States only the first article directly affected Colombia. The United States consented to Panama assigning to Colombia the first ten yearly payments of $250,000, which the United States had agreed to pay Panama under the Hay-Bunau Varilla Treaty. The


58 Hibben to Root, September 22, 1908, No. 165, Numerical File 2765/33.

59 Extract from a Private Letter of the Colombian Foreign Minister to the Colombian Minister in Washington, September 15, 1908, handed to the Secretary of State on October 19, 1908, by the Colombian Minister, Numerical File 1502/91.

60 Cortes to Dawson, November 18, 1909, Numerical File 1502/258.
treaty between Colombia and the United States regulated Colombian use of the completed canal and, in the meantime, the use of the trans-isthmus railroad. In time of war, Colombia was to have free use of the canal to transport troops and war materials. In addition, Colombian products and mail were to enter the canal zone on the same basis as products and mail from the United States. Article VI, which would later cause opposition in Colombia, provided that all Colombian ports open to commerce would be open, free of any port fees, as a refuge in the time of distress to any ship involved in the building of the canal or passing through the canal. Besides partly delimiting the boundary between the two countries and leaving the ownership of Jurado region to later arbitration, the Panama-Colombian treaty provided for Colombian recognition of Panamanian independence. Panama, in turn, agreed to transfer to Colombia the first ten annual payments received from the United States, thereby settling the question of Panama's share in the Colombian national debt. Provisions were also made for determining the citizenship of those individuals who were residing in Colombia but had been born in Panama or vice versa. For any one treaty to become effective, all three had to be ratified by the respective countries. 61

Once the negotiations were completed and the treaties signed, Secretary of State Root decided that Dawson should return to Colombia with the treaties.\textsuperscript{62} It was also apparently thought that Dawson might lend some assistance in securing Colombian ratification.\textsuperscript{63} Upon arriving back in Bogotá, on February 13, Dawson found the initial Colombian reaction to the treaties to be favorable. Nevertheless, those who opposed Reyes' policies began to call for the submission of the treaties to a popularly elected congress for ratification rather than to the Reyes appointed National Assembly.\textsuperscript{64}

Despite these rumblings, Reyes convened the National Assembly on February 22. On the twenty-third, Foreign Minister Urrutia presented the treaties to the Assembly.\textsuperscript{65} However, by the end of the month, the opposition began to gain momentum, and, in an effort to calm it, Reyes agreed to summon an elected congress to meet in February, 1910. In the meantime, the National Assembly would continue to function and

\textsuperscript{62}Dawson to Root, January 5, 1909, (also Root's notation at the bottom of the letter), Numerical File 1502/105.

\textsuperscript{63}Dawson to Dawes, January 21, 1909, Dawes Collection, Name File, 1906-1914, Dawson-Fai, Thomas A. [sic] Dawson Folder.

\textsuperscript{64}Dawson to Secretary of State, February 17, 1909, No. 235, Numerical File 1502/160.

\textsuperscript{65}Dawson to Secretary of State, February 24, 1909, No. 239; Dawson to Secretary of State, February 24, 1909, No. 240, Numerical File 1502/167, 169.
ratify the treaties. Also, by this time Dawson could report that he was observing some genuine opposition among the public to the boundary article in the Panama-Colombian treaty and the presence of considerable hostile sentiment towards Panama and the United States resulting from the 1903 revolution.

Reyes' efforts to mollify the opposition proved inadequate, and during the first week of March, it continued to gain strength. Dawson, seeing that Reyes was becoming irresolute regarding the ratification, made an effort to let the President know that the United States Legation expected him to proceed with the ratification.

The committee of the National Assembly which had been entrusted with studying and reporting on the treaties delivered its report on March 8. The majority report favored ratification of the treaties. Nevertheless, one member of the committee, Francisco de P. Mateus issued a minority report opposing ratification. In his report, Mateus argued that Article VI of the treaty with the United States, by which Colombia agreed to allow ships, either engaged in building or using the canal, free use of Colombian ports as a refuge in time of distress, would result in the lose of Colombian sovereignty over

66 Dawson to Secretary of State, March 8, 1909, No. 244, Numerical File, 5025/81.
67 Ibid.
68 Dawson to the Secretary of State, March 29, 1909, No. 247, Numerical File 1502/184.
these ports. In addition, he maintained that the failure to define the limits of the district of Jurado in the Panamanian treaty indicated that the United States and Panama were planning to extend the boundary line far enough into Colombian territory to include an alternate canal route through the Atrato River. 69

On the evening of the eighth, the capital was rocked by student demonstrations against the treaties. By the ninth the crowds had grown both in size and in temper. The United States Legation now became a target of some of the demonstrations. Around two o'clock in the afternoon a delegation of about forty students was admitted and Dawson agreed to meet with them. The leaders, basing their arguments on the contentions that the National Assembly was not a constitutional body and that recognition of Panamanian independence would dishonor and disgrace Colombia, politely delivered speeches expressing their opposition to the ratification of the treaties. Dawson replied that it would be improper for him as a foreign diplomat to discuss the merits of the treaties with private individuals. However, he assured the students that the United States had only the friendliest sentiments towards Colombia, wishing it peace and prosperity. 70 While the students probably left unconvinced by Dawson's statements, the meeting possibly

69 Ibid. 70 Ibid.
did have a good effect upon them. Dawson did not lodge a complaint with the Colombian Foreign Office over the demonstrations at the Legation; nevertheless, the Legation was soon placed under heavy police guard. Future demonstrations in the vicinity were thwarted and the leaders arrested.

In spite of Government attempts to stop the demonstrations elsewhere, they continued to grow in intensity. On the thirteenth, in an effort to calm the students, Reyes agreed to meet with some of them in order to discuss the treaties. The students, however, soon turned the meeting into a denunciation of the Reyes financial policies, his suppression of freedom of the press and failure to call an elective congress. Shortly after the meeting Reyes submitted his resignation as President to the National Assembly, and Carlos Holguin, the designado, took the oath as acting President. Dawson was inclined to think that Reyes' move was prompted by his desire to demonstrate his own indispensability. Before the day was out, Reyes had regained his composure, or had decided that he had made his point. He resumed the presidency and determined to restore order by arresting the opposition leaders and declaring a state of siege. As a result of these moves by the President, Dawson hoped that the treaties would quickly be

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72 Dawson to Secretary of State, March 29, 1909, No. 247, Numerical File 1502/184.
acted upon. However, the Colombian Foreign Minister indicated that the opposition had been too successful in stirring up popular resentment against both the treaties and the domestic policies of the Reyes Administration to allow for any immediate action on the treaties. 73

In the Assembly the opposition continued to center its attack on the treaties around Article VI of the treaty with the United States and the boundary article in the Panamanian treaty. Dawson believing that the resentment against the treaties "was being swallowed up in the feeling against the Government and considerations on internal politics and personal ambition," was eager to remove the complaints against these articles. By so doing, he hoped "to soften the blow in case Reyes should make up his mind to act vigorously." 74 Consequently, on the seventeenth he wired the State Department urging that the Panamanian and Colombian Ministers in Washington exchange notes defining the limits of Jurado. Regarding Article VI of the United States treaty, he requested permission to give the Colombian Foreign Minister a note stating that the United States understood the article to be merely a reiteration of that provision of international law which provided for the refuge of a ship in distress, with the addition that the Colombian government would grant this refuge without the imposition of port fees. He also requested

73 Ibid. 74 Ibid.
permission to make a minor punctuation correction in Article VI. 75

Authorization to make the necessary correction in Article VI and to officially inform the Colombian Foreign Minister of the United States' interpretation of that article was quickly sent. 76 However, the Panamanians were reluctant to exchange notes on the exact limits of Jurado, and the State Department, now under the direction of Secretary of State Philander C. Knox, did not feel called upon to express an opinion on the Panamanina-Colombian boundary. 77

By the twentieth, Bogotá seemed to be back to normal. The state of seige had been raised and Reyes had promised fiscal reforms and the immediate calling of an elected congress. Nevertheless, the political situation was still considered too tenuous to take up once again the matter of the treaties. 78 On the twenty-fifth Dawson and the Colombian Foreign Minister completed the correction of Article VI and Dawson presented Urrutia with a note containing the United States' interpretation of the article. At that time Dawson was informed that Reyes had decided to push the treaties

75 Dawson to Secretary of State, undated telegram, received 3:00 P.M., March 18, 1909, Numerical File 1502/166.

76 Knox to Dawson, March 19, 1909, telegram, Numerical File 1502/166.


78 Dawson to Secretary of State, March 29, 1909, No. 247, Numerical File 1502/184.
through, without any further delay. Following this plan, on the twenty-sixth, the President summoned several members of the National Assembly to the Presidential palace and had them sign a document pledging themselves to ratification of the treaties at the meeting of the Assembly on March 29. News of the President's action leaked out, and once again resulted in plotting against the Government. Rumors of revolt again became common in Bogotá. Members of the Assembly were threatened with assassination if they voted for ratification, and even the Archbishop of Bogotá, who had favored the treaties, wrote to Reyes advising their withdrawal and the immediate summoning of an elected congress. Whether the Archbishop's letter was decisive, Dawson was unable to say; however, on the twenty-seventh Reyes announced both that he would recommend that the National Assembly put aside the treaties and that an elected congress would meet on July 20, 1909. Dawson was distressed over this change in plans and spent the twenty-seventh with his friends in the Assembly and Government attempting to prevent the delay in considering the treaties. However, his efforts were to no avail.79

Since the treaties would not be considered by the Colombian congress until August at the earliest, Dawson thought that it would be better for the Legation to be left in charge of the Secretary. He reasoned that he himself would be pressured to become involved in Colombian domestic politics as the

79 Ibid.
elections drew near, and while he did not doubt that he would continue "to be prudent," he was fearful that there would be misapprehensions and misrepresentations of his attitude. 80 Moreover, Dawson's return to Bogotá in January had been somewhat unexpected, and he had been forced to leave his family in the United States. He was, therefore, eager to return to the United States as soon as possible, in order that he might accompany them back to Bogotá. 81 His superiors in the State Department, however, decided that his presence in Bogotá was required until the treaties had been ratified. 82 Despite this decision, within three weeks of receiving word that he would have to stay in Colombia, he was instructed to return to Washington. He was informed that he had been promoted to the Legation in Chile, and it was the State Department's desire that he return as soon as possible to confer with the new minister to Bogotá, Elliott Northcott. 83 By April 25, Dawson was on his way to Washington. 84

Insofar as Dawson's mission had been concerned with

80 Ibid.
82 Wilson to Dawson, April 3, 1909, telegram, Numerical File 2765/43a.
84 Hibben to Secretary of State, April 25, 1909, telegram, Numerical File 2765/47.
securing the ratification of the treaties, it had been a failure. They were never to receive the ratification of the Colombian legislature. As a result of the strong opposition to both the treaties and his domestic policies, Reyes resigned the presidency and went into exile in the summer of 1909. 85

In the face of the popular opposition in Colombia, Washington's reaction to Colombian ratification of the treaties became one of indifference. In June, Assistant Secretary of State Huntington Wilson, serving as Acting Secretary, wired Chargé Hibben to this effect. Wilson noted that the interests of Colombia and Panama were more involved than those of the United States, and, in view of the prevailing Colombian mood, the United States Legation "should maintain an impassive and dignified attitude." 86 Since it appeared certain that the Colombian-United States treaty would not be ratified by the congress which convened in July, 1909, the new Colombian Government proposed a re-negotiation of that treaty. 87 However, the State Department maintaining its air of indifference and basing its argument on the joint character of the Panama-United States-Colombia treaties, refused to re-open negotiations. 88

85 Parks, op. cit., p. 436.

86 Acting Secretary of State to Hibben, June 11, 1909, telegram, FRUS, 1910, p. 398.

87 Northcott to Secretary of State, September 29, 1909, telegram; Northcott to Secretary of State, October 1, 1909, No. 12, FRUS, 1910, pp. 399-401.

88 Acting Secretary of State to Northcott, October 4, 1909, telegram, FRUS, 1910, p. 402, Parks, op. cit., p. 436.
Furthermore, although relations between Colombia and the United States remained officially cordial, between March and August, 1909, the anti-United States sentiment among the citizens of Colombia grew to such an extent that according to Dawson's successor, it was even stronger than it had been immediately after the Panamanian revolution. 89 This hostility was only increased by Reyes, who threatened his opponents with United States intervention. 90 Dawson, of course, had personally maintained cordial relations with the Government and had also cultivated friendship with members of Colombian society. This did not spare him from the attacks of those who opposed both the treaties and the Reyes Administration. In May, Dawson was subject, along with other United States officials, to attacks in some Colombian papers. 91 Being the Minister of the United States, he was a natural focus for anti-Yankee sentiment.

Undoubtedly, the failure to achieve ratification and the growth of anti-United States sentiment in Colombia were both results beyond Dawson's control rather than the outgrowth of any act or fault on his part. If Dawson failed, it was in his inability to fully realize the extent to which anti-

89 Northcott to Secretary of State, August 18, 1909, No. 2, Numerical File 5025/286.

90 Northcott to Secretary of State, August 18, 1909, No. 2; Northcott to Secretary of State, November 8, 1909, No. 24, Numerical File 5025/286, 314.

Yankee sentiment still lingered in Colombia. A failure to fully credit nationalist opposition to United States policies had also been evident during his service in the Dominican Republic. There, however, this oversight was not as important in achieving the ultimate goal of his mission. The opposition was not as well organized, and the Dominican Government could always count on the moral support of the United States navy in its struggle to retain power. Neither was true in Colombia. The opponents of Reyes combined a genuine popular hostility towards the treaties with opposition to Reyes' domestic policies to force the President's ultimate resignation. Intervention, of course, was never even contemplated either by Dawson or his superiors in Washington.
CHAPTER X

CHILE:
THE ALSOP CLAIM 1909

William Howard Taft's victory in the November, 1908 presidential election assured the continuation of Republican control of the federal executive. However, despite Dawson's desire both to remain in the diplomatic service and to seek promotion, there was no guarantee that either would be forthcoming under the new Administration. That he was retained and promoted was probably the combined result of his diplomatic record and the influence of his friends and political patrons. The necessity of returning to Bogotá with the tripartite treaties in January, 1909, made it impossible for Dawson to be present to plead his own case when the matter of his promotion or retention came up. Hence, he had to depend on the influence of his political patrons, Senators Albert B. Cummins and Johnathon Dolliver of Iowa and Walter Smith the congressmen from his home district, and his friend Charles G. Dawes, who still had influential political contacts.\(^1\) Originally, it would seem that Dawson had set his sights on the United States Embassy in Brazil.\(^2\) Both Iowa senators petitioned the new

\(^1\) Dawson to Dawes, January 21, 1909, Dawes Collection, 1906-1914 Name File, Dawson-Fai, Thomas A. [sic] Dawson Folder.

\(^2\) Ibid.
Secretary of State, Philander C. Knox, to promote Dawson. Instead of the Brazilian Embassy, however, they sought the Legation in Buenos Aires. Dawes likewise wrote on Dawson's behalf to individuals close to the new Administration, but without making any specific suggestions. The outcome was the promotion to Chile.

Dawson, as noted above, left Bogotá on April 25, 1909, to return to the United States before taking up his new assignment. By the time he reached Barranquilla, a telegram from Assistant Secretary of State Huntington Wilson was awaiting him at the United States Consulate. He was instructed to stop at Port-au-Prince, Haiti, for about a week and, in conjunction with Minister Henry W. Furniss, to investigate the "financial and other conditions" in Haiti, in order that he might be prepared to report fully to the State Department upon his return to Washington.

The immediate concern of the Department of State was the attempt of the National Bank of Haiti, a French controlled

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3 Cummins to Knox, February 22, 1909, Dawson's Application and Recommendation File.


5 Hibben to Secretary of State, April 25, 1909, telegram, Numerical File 2765/47.

6 Wilson to Dawson, April 28, 1909, telegram in care of the American Consulate, Barranquilla, Numerical File 874/43.
firm, to persuade the Haitian Government to allow it to collect the custom revenues of the republic under a system similar to that which the United States had recently established in the Dominican Republic. The State Department had earlier informed Minister Furniss that the United States viewed "with concern an arrangement whose potentiality might hereafter so seriously affect American citizens in Haiti, and the welfare of the whole country." The Third Assistant Secretary of State, William Phillips, who was temporarily handling the Haitian problem, apparently reasoning that Dawson's extensive experience in the Dominican Republic would fit him well to investigate conditions in Haiti, suggested that he be instructed to stop off in Port-au-Prince on his way home from Colombia. No written report by Dawson appears in the Department of State's file on Haiti. However, it is possible that he may have delivered his report orally. At any rate, the State Department's concern seemed to be for naught. The Haitian Government never approved the Bank's plan.

By the end of May, his investigation in Haiti completed,

7 Memorandum by the Third Assistant Secretary (William Phillips) to the Secretary of State, April 28, 1909, ibid.
8 Bacon to Furniss, February 23, 1909, confidential, Numerical File 874/33-34.
9 Memorandum by the Third Assistant Secretary to Secretary of State, April 28, 1909, Numerical File 874/43.
10 See Numerical File 874.
11 Munro, op. cit., p. 247.
Dawson was back in the United States. Here he remained for a month, spending part of his time familiarizing himself with United States-Chilean relations. His thirty day instruction period completed, he shortly left for Chile, arriving in Santiago on August 14. Six days later he formally presented his credentials to President Pedro Montt. Scarcely had he made his formal presentation, when he received a telegram from the Assistant Secretary of State informing him that he had been assigned to work in the Department of State as chief of the newly created Division of Latin American Affairs. He was instructed to leave Santiago at his earliest convenience, however, not before he had received and complied with instructions mailed on August 5, concerning the claim of Alsop and Company against the Government of Chile. These instructions did not arrive in Santiago until September 12, and another five days passed before Dawson had completely fulfilled them.

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13 Untitled calendar of Dawson's appointments from 1907 to 1911, Dawson's Application and Recommendation File.


15 Dawson to Secretary of State, September 27, 1909, telegram, Numerical File 1154/164. Dawson to Secretary of State, October 4, 1909, telegram, Numerical File 1154/166.
Announcement of Dawson's new assignment and pending departure from Santiago was apparently withheld until this time. When the announcement was made, Chilean reaction was overwhelmingly favorable. Both the principal government and opposition newspapers, El Mercurio and La Union respectively, ran editorials favorably commenting that the decision of the United States to create a special division within the State Department to handle Latin American affairs was a sign of the Taft Administration's desire for cordial and closer relations with the United States' southern neighbors. Both papers also found Dawson well suited for the position of chief of the new division because of his wide knowledge of Latin America.\textsuperscript{16}

In the days following the announcement, several semi-official and social receptions honoring Dawson and his wife were held by the Chilean political and social elite. These festivities culminated with a banquet given in Dawson's behalf by the leaders of the major political parties, on October 5, the day before Dawson was scheduled to leave.\textsuperscript{17}

Here, Joaquin Walker Martinez, the former Minister to the United States and toastmaster at the dinner, in glowing terms, praised Dawson for his ability to have gained the

\textsuperscript{16} Dawson to Secretary of State, October 27, 1909, No. 20, enclosure 2: translation of editorial from El Mercurio; enclosure 4: translation of editorial from La Union, Numerical File 2765/80-81.

\textsuperscript{17} Dawson to Secretary of State, October 27, 1909, No. 20, Numerical File 2765/79.
esteem and good will of those who had known him during the short time he had been in Santiago. The toastmaster further assured the new Chief of the Latin American Division that in Chile it was "a unanimous and solid conviction that Latin-America should trust serene and tranquilly in the friendship of Saxon-America," and that he, as a former representative of his country in Washington, was convinced "that the actual policy of the United States toward her continental sisters is sincere and respects our sovereign rights." Nevertheless, Walker Martinez did not hesitate to caution that if the United States were "interested in the fate and harmony of these countries, she will avoid with the greatest care every step that might give rise to what is called pretension to pre-eminence, that make impossible the international approximation that she covets and strives so to realize."18 While the toastmaster probably meant his advice to be taken as a guideline for Dawson in conducting the business of the Division of Latin American Affairs, it was particularly appropriate in view of the negotiations which were then going on between the United States Legation and the Chilean Foreign Office.

Despite the fact that Dawson's new assignment had been announced and that he had set his departure for October 6, he would not leave Santiago until mid-November, and then it would

18 Dawson to Secretary of State, October 27, 1909, No. 20, enclosure 8: translation of Joaquin Walker Martinez's speech as printed in El Mercurio, October 6, 1909, Numerical File 2765/83.
be under the clouds of deteriorating United States-Chilean relations. The issue which was to occupy Dawson’s attention during the remainder of his stay in the Chilean capital was the settlement of the claim with which the instructions of August 5 were concerned: the claim of the heirs of Alsop and Company against the Government of Chile. This complicated claim had its origin in a loan made to the Government of Bolivia by a Chilean citizen, Pedro López Gama, in the early 1870’s. In return for the loan, Bolivia was to give Gama 150,000 tons of guano. Gama himself was indebted for the money he had advanced to Bolivia to a Chilean corporation known as Alsop and Company whose partners and capital were both North American. In 1875, to meet his indebtedness to Alsop and Company, Gama transferred his claim against Bolivia to the Company, which was then in the process of liquidating its holdings. This transaction was approved by Bolivia. The following year Bolivia and Alsop and Company, through its liquidator John Wheelwright, fixed the principal of the debt at approximately $805,775.00 in United States currency with five per cent interest from the date of the contract, plus approximately $232,375.50 in interest already accrued. The debt was to be met from the revenues Bolivia received from its portion of the receipts from the Peruvian customhouse at Arica and from various state owned mines located in the Bolivian littoral. These mines were to be selected by Wheelwright and leased for
a period of twenty-five years. 19

Before any of the provisions of the agreement could become operative, the War of the Pacific broke out and both the customhouse and the mines fell to the control of Chile. Following the cessation of hostilities, no provision was made for Alsop and Company to share in the revenues from the Arica customhouse, and the application of Chilean mining laws to the former Bolivian littoral resulted in the Company being deprived of some of the rights it had acquired under the agreement with Bolivia and being forced to expend large sums of money to retain the mines which would not have been necessary under Bolivian law. An appeal to the Chilean courts and executive did not resolve the problem of the Company's claim to the mines and consequently the Company appealed to the Department of State. In Washington, it was considered that the action of Chile amounted to a violation of the practices of international law and the confiscation of the Company's

The sketch of the background of the Alsop claim up to 1907 is based on the major documents presenting respectively the United States and Chilean positions (Secretary of State to Minister Hicks, April 30, 1907, No. 60; The Chilean Charge to the Secretary of State, July 31, 1908, No. 122, enclosure: The Minister for Foreign Affairs to Minister Hicks, April 9, 1908; The Secretary of State to Minister Dawson, August 5, 1909, No. 5; The Minister of Foreign Affairs to Minister Dawson, October 15, 1909, FRUS, 1910, pp. 138-143, 146-154, 159-178, 178-186), and the description given in Henry Clay Evans' book, Chile and its Relations with the United States (Durham, North Carolina: Duke University Press, 1927), pp. 165-167; and Frederick B. Pike's Chile and the United States, 1880-1962: The Emergence of Chile's Social Crisis and the Challenge to United States Diplomacy (Notre Dame, Indiana: University of Notre Dame Press, 1963), pp. 139-142.
property. The result was several years of inclusive exchanges between the United States Legation in Santiago and the Chilean Foreign Office concerning the matter of the Alsop claim. In 1892 and again in 1901, the Alsop claim was presented to United States-Chilean Claims commissions which met to settle claims of citizens of one country against the other. The first commission did not rule on the Alsop claim for want of time, and the second dismissed the claim on the grounds that the Company's Chilean registration made it legally a citizen of that country, and that the commission was only authorized to rule on claims of United States citizens against Chile, not Chilean citizens against Chile.

In the meantime, in the various preliminary negotiations between Chile and Bolivia from 1891 to 1904, looking towards a definitive peace treaty, Chile had agreed to assume the Bolivian debt and obligations in the territory which had been annexed as a result of the War of the Pacific. Finally, on October 20, 1904, the two countries signed a peace treaty. Under the fifth article of that treaty, Chile agreed to assume, to the extent of 2,000,000 pesos gold of 18 pence, several claims against Bolivia, among these was the Alsop claim. In an additional protocol, signed and made public in November, 1904, the two Governments explained that under article five of the treaty signed on October 20, it was understood that Chile had the right to reduce the claims as it saw fit. Subsequently, all but two claimants, Alsop and Company being one, agreed
to a pro-rated settlement.

As previously noted, the Alsop claim had been the object of correspondence between the United States Ministers in Santiago and the Chilean Foreign Office. In April, 1907, Secretary of State Elihu Root instructed Minister John Hicks to take up once again the Alsop case with the Foreign Minister. The State Department had recently acquired copies of secret notes which had been exchanged by the Bolivian and Chilean plenipotentiaries on October 21, 1904 concerning the meaning of Article V of the treaty which they had signed the previous day. In his note, the Bolivian plenipotentiary stated that by Article V his Government understood that Chile would cancel all of the obligations enumerated in the article, Bolivia's liability being completely eliminated "and the Government of Chile assuming all liabilities to their full extent." The Chilean representative, evading the issue, replied that his Government recognized that by Article V, it was responsible for arranging for the permanent cancellation of the claims mentioned in the article. The State Department interpreted these notes to mean that, in spite of the limitations which the article apparently placed on Chile's responsibility, Chile had bound itself to pay in full the claims mentioned in the article.\(^\text{20}\)

On June 27, 1907, Charge Henry L. Janes presented the

\(^{20}\) Secretary of State to Hicks, April 30, 1907, No. 60, \textit{FRUS}, 1910, pp. 141-142.
United States case to the Chilean Foreign Minister, Frederico Puga Borne. Subsequently, in an interview with the United States chargé, the Foreign Minister rejected the United States contention that Chile was bound to pay in full the various claims and maintained that Chile's responsibility was limited to the amount of 2,000,000 pesos as provided by Article V of the treaty of October 20, 1904. A formal written answer to Janes' note of June 27, 1907 was not sent to the United States Legation until April 9, 1908. In this note, Foreign Minister Puga Borne explained that he understood that the United States had been merely exercising its good offices on behalf of the Alsop claim and that the verbal reply given to the United States chargé had been considered sufficient. However, he went on, the continued efforts of the Legation on the behalf of the claimants now made it advisable to explain in full Chile's position in the matter. In summary, Puga Borne denied that Chile had either a responsibility to assume the Alsop claim because of the conquest of the territory in which the concession had originally been granted or was bound to pay in full the claim by assuming this responsibility under Article V of the treaty with Bolivia. While refusing to acknowledge the secret notes of October 21, 1904, he maintained that even if they did exist, the wording of the supposed Chilean reply was such as to in no way indicate that Chile interpreted

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21 Janes to Secretary of State; August 5, 1907, No. 163, FRUS, 1910, pp. 143-144.
Article V as binding it to pay the claims in full. He repeated that the Chilean Government had considered the action of the United States Government on behalf of the Alsop claim as in the nature of good offices. Falling back on the decision of the Chilean-United States Claims Commission in 1901 to the effect that Alsop was juridically a Chilean person, he denied that the Company could seek diplomatic intervention from the United States. Nevertheless, if the United States insisted on intervening diplomatically on behalf of the claim, he noted that his Government could not accept this intervention and would offer to arbitrate the case. 22

In Washington, it was thought that the Chilean note of April 9, 1908 did not throw any new light on the case. Minister Hicks was informed that the Department of State considered the note "in a large measure ill-founded in its statements of fact, and sophistical in its arguments." 23 Furthermore, Hicks was reprimanded for mentioning, in his acknowledgment of receipt to the Foreign Minister, that the note of April 9 was forceful and would receive the careful attention of the Department of State. He was instructed not to do or say anything which might indicate that the United States was not sincere in

22 Chilean Charge to Secretary of State, July 31, 1908, enclosure: the Minister for Foreign Affairs to Minister Hicks, April 9, 1908, ibid., pp. 146-154.

23 Root to Hicks, November 30, 1908, No. 139, Numerical File 1154/99.
its efforts to obtain a settlement of the claim. 24

During the last six months of the Roosevelt Administra-
tion, the State Department's actions on behalf of the claim
seems to have been directed to obtaining from Chile any infor-
mation which would have justified Santiago in refusing to pay
the entire amount of the claim. 25 The Taft Administration had
no difficulty in deciding to continue to press for a settle-
ment of the claim. 26 On March 18, 1909, Secretary of State
Knox wrote to the Chilean Minister in Washington, Anibal Cruz,
again requesting information which would justify Chile's at-
tempt to reduce the amount due the Alsop claim. 27 In mid-
April, during an interview with Assistant Secretary Hunting-
ton Wilson and J. Ruben Clark of the Solicitor's Office, Cruz
admitted that his Government did not have any specific evi-
dence which would justify a reduction of the claim. Wilson

24 Ibid.

25 J. B. Scott (Solicitor of the State Department) to
Adee, August 11, 1908, Numerical File 1154/95. Acting Secre-
tary of State to the Chilean Minister, August 29, 1908; Acting
Secretary of State to the Chilean Minister, November 24, 1908;
Chilean Minister to the Secretary of State, November 26, 1908;
Acting Secretary of State to Hicks, January 24, 1909, telegram;
Hicks to Secretary of State, telegram, received February 26,
1909, FRUS, 1910, pp. 154-156.

26 Undated and unsigned memorandum on foreign affairs,
Philander C. Knox Papers, Manuscript Division, Library of
Congress, Washington, D. C., [hereafter cited as Knox Papers],
Correspondence of Philander C. Knox, Vol. VI, 1908-1909,
June 2, April 22.

27 Secretary of State to Chilean Minister, March 18,
1909, No. 22, FRUS, 1910, pp. 156-57.
asked that the State Department be given a formal note to this effect.\textsuperscript{28} In his note to Knox on April 16, complying with Wilson's request, Cruz repeated the argument that Alsop and Company was a Chilean firm and thus not entitled to the protection of the United States State Department. Finally, he stated that the reduction of the claim was based on the provision of Article V of the Chilean-Bolivian treaty of October 20, 1904.\textsuperscript{29} The absence of any further communications for the period April to August, 1909, either between the State Department and the Legation in Santiago or between the Department and the Chilean Legation in Washington, would seem to indicate that Knox and Wilson decided to await Dawson's arrival in Santiago before further pursuing the case.

By the time Dawson arrived in Santiago in mid-August, 1909, Washington had decided to press for the settlement of the Alsop claim on the bases that Chile was guilty of violation of contract and of committing a tort against the Company. To substantiate the charge of violation of contract, the Department, bringing forth both the correspondence between Chile and the United States on the Alsop claim and the various protocols between Chile and Bolivia, including Article V of the

\textsuperscript{28} Memoranandum of an Interview Between Assistant Secretary Wilson and Minister Cruz Concerning the Alsop Case, Mr. Clark of the Solicitor's Office Being Present, April 15, 1909, Numerical File 1154/123.

\textsuperscript{29} The Chilean Minister to the Secretary of State, April 16, 1909, FRUS, 1910, p. 157.
treaty of October 20, 1904 and the subsequent secret notes of October 21, argued that these constituted Chilean recognition of the validity of the Alsop claim and were tantamount to a contractual obligation on the part of the Chilean Government to pay the claim in full. The contention that Chile had committed a tort against the Company was based on the argument that by depriving Alsop and Company of its share of the Arica customs and by applying Chilean mining laws, Chile violated "the well established principle of international law that all private rights and property must be respected and protected by a government assuming jurisdiction and control over territory in which such rights exist. . . ."\(^\text{30}\)

The Chilean Government's position on these charges, as made clear in the negotiations prior to and following Dawson's arrival, was in summary, that it recognized only a limited liability towards the Alsop claim. It denied that it had ever agreed to pay the claim in full, or that the treaty with Bolivia and the subsequent secret notes required it to do so. Concerning Washington's contention that the application of Chilean mining laws to the former Bolivian littoral constituted a tort against Alsop and Company, Chile argued that the concession which had been granted to the Company by Bolivia did not constitute an actual right over the properties but merely consisted of the assignment of the proceeds of certain property

\(^{\text{30}}\) Secretary of State to Dawson, August 5, 1909, No. 5, ibid., pp. 159-78.
to the payment of credit and thus the annexing country did not, under international practice, have to recognize these concessions. Furthermore, it was argued that these concessions had in fact been granted in territory actually belonging to Chile and which had merely gone back to its rightful owner as a result of the War of the Pacific. 31

However, Chile's major argument against the United States intervening diplomatically on behalf of the Alsop and Company was based on the premise that the Company was a firm incorporated under the laws of Chile and thus juridically a Chilean citizen entitled to diplomatic intervention only by Chile. To support this position, the Chilean Foreign Office brought forward the United States-Chilean Claim Commission decision of 1901, and maintained that if the firm were to obtain redress, it had to apply to the Chilean courts. 32 For its part, the State Department argued that the Chilean registry of the firm did not preclude United States diplomatic intervention on behalf of the Yankee claimants. The Department noted that North American capital had been lost by North American citizens and that for all practical purposes the partnership had ceased to exist. Therefore, it was maintained

31 Chilean Chargé to Secretary of State, July 31, 1908, enclosure: Minister for Foreign Affairs to Minister Hicks, April 9, 1908; Minister of Foreign Affairs to Dawson, October 15, 1909 (delivered November 27, 1909), ibid., pp. 146-154, 178-186.

32 Minister of Foreign Affairs to Dawson, October 15, 1909, ibid., pp. 180-81.
that to contest the right of the Government of the United States to intervene in behalf of the injured American partners in such a partnership, under such conditions, for the loss of American capital, would be to contest the fundamental sovereign right of the Government of the United States to intervene in behalf of its citizens—a proposition for which the Government of Chile would not, the Government of the United States feels, for a moment contend.\(^{33}\)

Furthermore, the State Department insisted that the decision of the Chilean-United States Claims Commission neither was meant to preclude, nor did preclude, United States diplomatic intervention. Finally, the Department noted that Chilean objection to United States intervention on behalf of the Company was recent and had not been brought up in the earlier negotiations.\(^{34}\)

On August 5, 1909, Secretary of State Knox sent Dawson a fifty-four page despatch containing the United States' position in regard to the Alsop claim and calling upon the Chilean Government to come to an equitable agreement with the claimants or to consent immediately to sign a protocol with the United States agreeing to arbitrate the dispute. Dawson was instructed to present this note verbatim to Foreign Minister Augustin Edwards as soon as possible. A draft protocol, containing a lengthy preamble in which the case from the United States viewpoint was put forth, was included should the

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\(^{33}\) Secretary of State to Dawson, August 5, 1909, No. 5, ibid., p. 175.

\(^{34}\) Ibid., pp. 175-76.
Chilean Government decide on the alternative of arbitration. 35

This was the despatch which Dawson had been instructed to await before returning to Washington to assume his new post as Chief of the Division of Latin American Affairs. When it did arrive on September 12, for some reason which is not clear, Dawson did not choose to follow his instructions to the letter. He did not present the note to the Foreign Minister until September 17. 36 Nevertheless, he had discussed the matter with Edwards prior to this, and by the thirteenth the Foreign Minister agreed to arbitration. On the fifteenth, Dawson submitted the draft arbitration protocol to him. Within a week, Edwards presented a counter draft in which the right of the United States to intervene diplomatically would also be submitted to arbitration. Upon being assured by Dawson that this would not be acceptable, Edwards yielded, but rejected the lengthy preamble setting forth the United States viewpoint as one sided and unjustly preventing Chile from noting the Chilean registration of the firm. In place of this preamble, Edwards suggested one of a more general nature which merely noted that the United States and Chile, not having been able to agree on the original and subsequent claims of Alsop and

35 Knox to Dawson, August 5, 1909, No. 5, Numerical File 1154/156A. This document, less the protocol, was printed in FRUS, 1910, pp. 159-178.

36 Dawson to Secretary of State, October 4, 1909, telegram, Numerical File 1154/164.
Company, had agreed to submit the case to arbitration.37

Apparently, foreseeing no great difficulty in coming to an agreement with the Chilean Government, Dawson wired the Foreign Minister's preamble to the State Department, and set October 6, as the date for his departure. It was at this juncture that the various receptions and dinners honoring Dawson were held. In Washington, the Chilean preamble was rejected as not sufficiently defining the issues. Dawson was told that if Chile wished to enumerate its allegations, the Department of State would be willing to consider them as additions to the preamble which had been sent. Concerning the issue of Chilean registry of Alsop and Company, the Department thought that articles III and VI of the protocol, which provided respectively for the manner of submission of evidence and the bases for the judgment, were sufficiently broad to permit the issue to be brought before the arbitral tribunal. However, Dawson was informed that the United States could not allow its right to intervene in the case to be questioned. Furthermore, he was reminded that, in view of his impending return to Washington to be Chief of the Division of Latin American Affairs, it was most desirable that he succeed in these negotiations. He was instructed to make known to the Government of Chile that if its relations with the United States were considered important, it was essential that this

37 Dawson to Secretary of State, September 27, 1909, telegram, Numerical File 1154/164.
one controversy, which had existed for over twenty years, be resolved. Finally, if a settlement could not be reached by October 6, he was to delay his departure for another week.\textsuperscript{38}

Over the next six weeks the negotiations would continue to falter over the right of the United States to intervene on behalf of that claim. On October 9, Foreign Minister Edwards agreed to sign a protocol with a preamble containing the allegations and counter allegations of the two countries, without any mention being made of the registry of Alsop and Company. The Foreign Minister's consent depended on Dawson's willingness to give him a note, at the time of signing, re-stating the State Department's position that Articles III and VI allowed Chile to mention the Chilean registration in its arguments before the arbitral board. Dawson optimistically set October 12, for his departure.\textsuperscript{39} Again he was instructed to delay leaving Santiago.\textsuperscript{40}

At this point, an agreement might have been possible. On the sixteenth, Assistant Secretary of State Wilson sent Dawson a telegram informing him that the Department of State agreed to the inclusion in the preamble of all the Chilean counter-allegations so long as these did not include mention

\textsuperscript{38} Wilson to Dawson, October 1, 1909, telegram, \textit{ibid.}

\textsuperscript{39} Dawson to Secretary of State, October 9, 1909, telegram, Numerical File 1154/171.

\textsuperscript{40} Wilson to American Legation, Santiago, Chile, October 11, 1909, telegram, \textit{ibid.}
of the registration of the firm. Wilson noted that the Department did not see the need for the note which Edwards desired. He observed that as the articles stood it would be impossible to prevent Chile from bringing the registry of Alsop and Company or any other information before the arbitral board. In Washington, however, it was suspected that the proposed note was merely another attempt on Chile's part to include the issue of the nationality of the firm as a matter for arbitration. The United States position on this point, of course, had not changed. Dawson, however, was authorized to suggest, once the protocol was signed, that, if Chile preferred to save the expense of arbitration, a subsequent protocol be signed, which would delay the arbitration, in order to give Chile an opportunity to come to an agreement with the claimants. Dawson was further to inform the Chilean Foreign Minister that if Chile suggested a sum which the State Department considered reasonable, it would be accepted by Washington even if the claimants did not think it reasonable.41

In the meantime, however, President Montt and the Cabinet overruled Edwards and insisted that the portion of the 1901 United States-Chilean Claims Commission's decision dismissing the Alsop claim on the basis that the firm was technically a Chilean citizen be included in the preamble of the protocol. No allegation as to the legal effect of this

decision was to be mentioned. Dawson's reaction to this new demand was to restate the State Department's position that the United States could not allow its right to intervene on behalf of the claimants to be questioned.  

By November 3, the State Department had decided to yield somewhat to Chilean preferences. Secretary Knox telegraphed Dawson authorization to accept either of two alternatives. First, he could accept a preamble containing the Chilean counter-allegations, including the insertion of the United States-Chilean Claims Commission's decision on the legal personality of the Alsop firm. Secondly, he could agree to a more general preamble, which would evidently refrain from mentioning the various contentions of the opposing parties. In either case, Dawson's acceptance was to be contingent on the Chilean Foreign Minister agreeing to give him a note at the time of signing stating that the United States' right to intervene in this case was not questioned. Nor was it to be an issue of the arbitration. If Chile should continue to refuse to sign an arbitration protocol unless United States intervention were made an issue of the arbitration, Dawson was to give notice of his intention to depart by the next ship and to inform the Foreign Minister that Washington considered Chile's unwillingness to arbitrate as signifying Santiago's decision to reach an equitable settlement with the Alsop

42 Dawson to Secretary of State, October 15, 1909, telegram, ibid.
claimants through the United States charge. However, if the Chilean Government had not given some evidence of intending to reach an agreement with the claimants prior to his departure, Dawson was instructed to bring along with him the Secretary of the Legation, who normally would have acted as charge, and to leave the Legation in the custody of the United States consul. 43

On November 5, Dawson wired the Secretary of State that Foreign Minister Edwards had agreed to sign a protocol with a preamble containing the various allegations and counter-allegations of the two Governments including the Claims Commission's decision on the nationality of the Alsop firm, and to exchange notes disavowing the questioning of the United States' right of diplomatic intervention. 44 By the twelfth, the details of the protocol had been agreed upon and the English and Spanish texts prepared. Anticipating no further delay, Dawson set his departure for the sixteenth. However, on the thirteenth, the day prior to the signing, President Montt and the Cabinet again overruled Edwards and insisted that the question of the United States' right to intervention must be included in the protocol. Dawson informed the Foreign Minister that unless Chile made some assurances that a

43 Knox to American Legation, Santiago, Chile, November 3, 1909, telegram, ibid. 44 Dawson to Secretary of State, November 5, 1909, telegram, Numerical File 1154/182.
settlement would be reached with the claimants, the United States would close its legation in Santiago. On the morning of the fourteenth, Edwards countered with two proposals which were to be transmitted to the Secretary of State through Minister Cruz in Washington. The first provided for a cash settlement, and the second for Chile to pay the amount found to be equitable by a liquidator appointed by Brazil. Dawson informed Edwards that it was doubtful the latter proposal would receive much favor in Washington in view of the previous vacillation of Chile unless the Government obligated itself to obtain the appropriation as soon as the amount had been determined by the liquidator. 45

Since he had already set the date for his departure, Dawson felt to change it again would only serve to convince the Chilean Government that the United States was weakening in its resolve to settle the Alsop matter. He left on schedule, therefore, first heading for Buenos Aires and from there going on to Rio de Janeiro where his family was awaiting him. Before leaving, he gave Seth Low Pierrepont, the Secretary of the Legation two notes. One accredited him as Chargé d'Affaires. The other provided for the severing of relations. Neither was to be used until instructions had been received from Washington. 46

45 Dawson to Secretary of State, November 14, 1909, telegram, Numerical File 1154/186.

46 Dawson to Secretary of State, November 16, 1909, telegram, Numerical File 1154/187.
Dawson's departure for Buenos Aires stirred up alarming rumors in Santiago, and provided the opposition with an opportunity to attack the policies of the Government. In an editorial entitled "Que cese el ministerio," on November 19, La Union interpreted Dawson's departure as tantamount to the United States severing diplomatic relations with Chile. It was noted that the United States Minister had left under circumstances which were not advantageous for Chile's interests and which amounted "to an affront to his person and to his diplomatic action." In an article published the previous day, which also discussed Chile's relations with the United States and Dawson's departure, La Union reported that the Foreign Minister had given Dawson a note agreeing to arbitration, but that later the contents had been altered by the President with the result that the United States Minister understood that the promise of arbitration had been withdrawn. Consequently, the article maintained, Dawson thought he had no other recourse but to leave for Buenos Aires. The author of the article stated he had heard the United States Minister express, prior to his departure, the displeasure which the Chilean Government's change of positions had caused him.

47 Pierrepont to Secretary of State, November 29, 1909, No. 27, enclosure: clipping from El Mercurio (Santiago), November 21, 1909, Numerical File 1154/257.

48 Pierrepont to Secretary of State, November 29, 1909, No. 27, enclosure: clipping from La Union, November 19, 1909, ibid.
According to the reporter, Dawson supposedly said that he had been able to accomplish nothing in Santiago. Until the Government had changed its position, he thought the Alsop matter could be arranged, but now he would leave. It was further reported that Dawson observed that his Government had not named a new minister to Chile and that he did not know if one would be assigned. Nor did he know if the Department of State would wait for him to return to Washington to negotiate with Minister Cruz or if it would insist on arbitration as had been promised. He said, it was stated, that he had provided every opportunity for the Government of Chile to win his friendship and that he regretted the unforeseen development which this disagreeable incident had taken. The United States Government had been kept fully informed, but he had not had time to receive new instructions. Nevertheless, he had not lost hope that the Alsop matter could be satisfactorily arranged by both countries. The article went on to raise the question of whether Chile could now count on Dawson's good will. In commenting on the adverse reaction Dawson's departure had in Santiago, La Union observed that Dawson was going back to the United States to be an adviser to his government on Latin American affairs and asked how the Government of Chile could let him leave with such an unfavorable impression.

49 Pierrepont to Secretary of State, November 29, 1909, No. 27, enclosure: clipping from La Union, November 18, 1909, ibid.

50 Ibid.
In an interview with a reporter from La Prensa in Buenos Aires, Dawson attempted to mitigate the effect that his departure had had in Chile. He stressed that his departure was not a severing of diplomatic relations but was merely prompted by his new assignment which had been announced some time ago. He maintained that the press reaction to the Alsop case was all out of proportion to the real state of the matter. He further stated that it was his general impression that a perfectly satisfactory solution would be obtained. Concerning the supposed remarks published in La Union, Dawson categorically denied he had such an interview or that he had made the statements attributed to him. La Prensa quoted him as saying "it was not likely that a career diplomat like me, experienced in that type of diplomatic business would be so impolitic in making declarations on diplomatic negotiations, which ought not to be seen by the public except when the governments think it convenient." When asked if the nervousness apparent in the Chilean press might not be explained by the fear that the United States might support Peru in the Tacna and Arica dispute, Dawson replied that this was a mistake and that no one could produce even a shred of evidence to indicate that the United States was intervening in the Chilean-Peruvian dispute.

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51"No es verosímil--agregó--que un diplomático de carrera como yo, experimentado en esta clase de asuntos de cancillería, hubiera sido tan impolítico en hacer declaraciones sobre negociados diplomáticos, que no deben ver la publicidad sino cuando los gobiernos lo creen conveniente." La Prensa (Buenos Aires), November 20, 1909, p. 10.
controversy. He further observed that the United States had nothing to gain in the dispute and that, above all, Washington hoped South Americans could resolve their own problems. The south American policy of the United States, he maintained, was based on this premise.52

Despite Dawson's denial, as printed in La Prensa, the question of whether he actually made the statements attributed to him in La Union, still remains. Lacking any other evidence, the argument reduces itself to a matter of simply weighing Dawson's words against those of the author of the La Union article. On the one hand, Dawson certainly had an interest in denying the remarks attributed to him. They would undoubtedly have been inappropriate for a diplomat to make, and one would think that Dawson's experience would have enabled him to act more discreetly. On the other hand, La Union was clearly attempting to embarrass the Government of President Pedro Montt by publishing the supposed statements of the former United States Minister. Nevertheless, the statements which La Union attributed to Dawson were perhaps not far from the sentiment of frustration he might have felt towards the negotiations recently conducted with Foreign Minister Edwards. Wiring the State Department from Buenos Aires on November 19, Dawson reported that he was convinced that the protocol, which he and Edwards had agreed to on the

52 Ibid.
twelfth, would not have been submitted to the Chilean Legislature until June, 1910, and then, he felt, it would not have received ratification. Furthermore, his denial of having had an interview is not directly contradicted in La Union. The article merely states: "Pero, antes de partir, tuvimos oportunidad de oírle manifestar el desagrado que este cambio de frente del Gobierno de Chile le producía." Therefore, it is possible that the remarks attributed to Dawson were, in fact, made in an off-handed manner or in private conversation. Here, as before, no definite conclusion can be reached. In addition, Dawson was something less than completely honest when he referred to the Tacna-Arica controversy. In an interview with Minister Cruz, prior to leaving for Chile, Dawson apparently hinted that the United States might decide to side with Peru in the dispute if Chile did not come to some agreement on the Alsop claim.

Back in Santiago, El Mercurio, which was owned by Edward's family, took Dawson's interview with La Prensa at face value, and reprinted the gist of his comments.

53 Dawson to Secretary of State, November 19, 1909, telegram, Numerical File 1154/194.

54 Pierrepont to Knox, November 29, 1909, No. 27, enclosure: clipping from La Union, November 18, 1909, Numerical File 1154/257.


56 Dawson to Secretary of State, September 17, 1909, No. 9, Numerical File 180/28.
Undoubtedly, this was an attempt to disprove La Union's charge that the Government's handling of the Alsop negotiations had injured United States-Chilean relations for some time to come and to squelch rumors that Dawson's departure had amounted to a severing of diplomatic relations between the two countries.  

In the meantime, negotiations on the Alsop claim were continuing. On November 16, Minister Cruz, in Washington, presented the State Department with the alternative plans which Edwards had mentioned to Dawson before the latter's departure. The first called for a cash settlement of 67,000 pounds sterling ($335,000) with interest from 1905 until the date of payment, while the second proposed submitting the case to the Brazilian Government for liquidation. Secretary of State Knox rejected both plans and stated that the Alsop claim could not be considered settled unless Chile agreed to sign and carry out an arbitration protocol or made a cash payment of not less than $1,000,000 United States gold to the claimants.  

Pierrepont was instructed to assume the character of Chargé d'Affaires and to present the Chilean Foreign Office with a note containing the two conditions under which the United States would consider the claim settled. In addition,

57 Pierrepont to Secretary of State, November 29, 1909, No. 27, enclosure: clipping from El Mercurio (Santiago), December 22, 1909, Numerical File 1154/257.

pierrepont was to state in the note that if the settlement of the case was not undertaken in one of these ways within ten days, he had been instructed to leave, entrusting the archives of the Legation to the care of the United States consul.\(^{59}\) Pierrepont complied with his instructions on the afternoon of the eighteenth.\(^{60}\)

By threatening to withdraw its diplomatic officers from Santiago, the State Department did not, strictly speaking, envision breaking off diplomatic relations with Chile. There was no intention of handing Minister Cruz his passport. The official argument in Washington was simply that failure to resolve the controversy over the Alsop claim made the Legation in Santiago virtually useless for conducting negotiations between the two governments. Furthermore, the State Department did not choose to interpret Pierrepont's note of the eighteenth to the Chilean Foreign Office as an ultimatum in the strict diplomatic sense.\(^{61}\)

Whatever the technical interpretation Washington placed upon Pierrepont's note, Santiago viewed it as an ultimatum.\(^{62}\) Foreign Minister Edwards hastened to instruct Minister

\(^{59}\)Knox to American Legation, Santiago, Chile, November 17, 1909, telegram, Numerical File 1154/190-192.

\(^{60}\)Pierrepont to Secretary of State, November 18, 1909, telegram, Numerical File 1154/193.

\(^{61}\)Knox to American Legation in Chile, November 24, 1909, telegram, Numerical File 1154/206.

\(^{62}\)Pierrepont to Secretary of State, November 25, 1909, telegram, Numerical File 1154/211.
Cruz to inform the State Department that Chile was still willing to arbitrate on a basis where each Government could make all allegations considered necessary for its case. To prove its sincerity, Cruz was to state that Chile had deposited in London, to the account of the Permanent Court at the Hague, the sum of £200,000 ($1,000,000), the amount which the Department of State had indicated was a minimum acceptable for settling the claim. 63

Despite this expression of sincerity, Chile's insistence that the United States' right to intervene in the case must be a point of arbitration led to an impasse. 64 Pierrepont would have left Santiago on schedule had not an alternate solution been found. On the twenty-fourth Knox wired the charge to propose that the two Governments submit the matter to King Edward VII of Great Britain as an "aimable compositeur" who would render a decision which would be binding on both parties. 65 This solution avoided the issue of the United States' right to intervene on behalf of the claimants of the Chilean corporation. Pierrepont presented the proposal to Edwards on November 25, and on the twenty-sixth

63 Edwards to Minister of Chile in Washington, November 18, 1909, Numerical File 1154/199.

64 Pierrepont to Secretary of State, November 23, 1909, telegram, Numerical File 1154/206.

65 Knox to American Legation in Chile, November 24, 1909, telegram, Numerical File 1154/206.
it was accepted by the Chilean Government.\textsuperscript{66} The formal protocol was signed December 1.\textsuperscript{67}

This solution was not suddenly pulled out of the thin air by the State Department and presented as a possible solution to the impasse. The idea of submitting the controversy to a third party for liquidation had its origin in the Chilean suggestion of mid-November that the case be submitted to the Brazilian Government. At that time it was rejected by the Secretary of State because he probably thought that it was only another Chilean attempt to delay a final settlement.\textsuperscript{68} Consequently, Pierrepont was instructed to present his note setting a time limit for the settlement or arbitration of the claim. When news of this "ultimatum" became known in the other South American countries, press reaction in some of them was blatantly hostile to the United States position.\textsuperscript{69} In Brazil, where Foreign Minister Rio-Branco was seeking close friendship with both the United States and Chile, the news of what appeared to be a pending break in relations between the

\textsuperscript{66}Pierrepont to Secretary of State, November 25, 1909, telegram, Numerical File 1154/211. Pierrepont to Secretary of State, November 26, 1909, telegram, Numerical File 1154/213.


\textsuperscript{69}Dudley to Secretary of State, November 23, 1909, telegram, Numerical File 1154/205.
two countries was greeted with much concern. **70** Both Rio-Branco and the Brazilian Ambassador in Washington, Joaquim Nabuco, expressed Brazil's hope that a solution could be reached. In addition to meeting with Knox on November 23, and explaining the Chilean position on submitting the case to a third party, Nabuco had appealed to his friend, the former Secretary of State, Elihu Root to intervene with Knox. **71** Also on the twenty-third, Minister Cruz presented Knox with a letter explaining Chile's proposal. **72** It was apparently out of this background that the decision was reached to accept the alternative of presenting the entire case to a third party for resolution, without a specific protocol containing the allegations of the two Governments. In his conversation with Knox on November 23, Nabuco had alluded to the difficulty with which Brazil would be faced if it were forced to decide a case between its two friends. **73** A solution to this problem was

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**70** Burns, *op. cit.*, pp. 135-136. In his work on United States-Brazilian relations during Rio-Branco's administration of the Brazilian Foreign Office, E. Bradford Burns incorrectly states that Chile objected to the United States intervening on behalf of a private citizen's claim. *Ibid.*, p. 136. As noted above, the Chilean objection was based on the registry of the Company.


**72** Cruz to Knox, November 23, 1909, Numerical File 1154/204. In contrast to Burns who stress the role of Nabuco, Pike maintains that Cruz's friendship with Knox was also important in bringing the Alsop controversy to a happy conclusion. *Pike, op. cit.*, p. 142.

**73** Nabuco to Knox, November 27, 1909, Numerical File 1154/216.
already at hand. In his telegram of November 23, informing the State Department that Chile insisted upon the United States' right to intervene being questioned in any arbitration protocol, Pierrepont also noted that there were indications Chile would be willing to seek the good offices of the British Government in reaching an agreement with the United States, hence, the choice of the king of Great Britain.

From the vantage point of over half a century, neither the sum at issue in the Alsop claim nor the controversy itself appear to have been important enough to warrant the rather drastic measures that the State Department was willing to take in order to bring the case to a conclusion. Even in 1909, Washington's policy seemed unwarranted to some. Minister Cruz expressed this sentiment in a note to Secretary Knox on November 23, 1909. He noted that his "Government could never have imagined that a pecuniary claim would have assumed the character and proportion of a controversy which, according to the announcement of the Chargé d'Affaires, may lead to a suspension of diplomatic relations." Latin American

74 Pierrepont to Secretary of State, November 23, 1909, telegram, Numerical File 1154/206.

75 In the award handed down by George V of Great Britain, the claimants were to be paid 187,000 pounds sterling. The claim as it existed at the time of the Wheelwright-Bolivian agreement was allowed. However, the United States' contention that the application of Chilean mining laws to the former Bolivian littoral had unjustly harmed the Alsop claimants was dropped. Evans, op. cit., p. 168; Pike, op. cit., pp. 139-140.

76 Cruz to Knox, November 23, 1909, Numerical File
sympathies were clearly with Chile. Santiago's version of the case received publicity in the Latin American press, while the United States policy was greeted, as has been noted, with hostility. To counter this hostility, the State Department sent a circular note containing its version of the Alsop claim to the Legations in the major capitals of South America. Along with the circular were instructions to have the United States' case published in the local press. Opposition to the United States policy in the Alsop case was not confined to Latin Americans. Fearing that their own business would suffer as a result of the Alsop controversy, North American business firms with interests in Chile urged the State Department to adopt a more lenient attitude.

In view of the apparent insignificance of the claim, the hostility stirred up in Latin America, and the adverse reaction of North American businessmen, the question naturally

1154/204. The same sentiment was expressed by Edwards to Pierrepont. Pike, op. cit., pp. 139-140.

77 Knox to Pierrepont, December 1, 1909, telegram, Numerical File 1154/224 and attached memorandum. Writing in the 1940's former Assistant Secretary of State Hunting Wilson remembered that the cost of telegraphing the United States case had been $12,000. F. M. Huntington Wilson, Memoirs of an Ex-Diplomat (Boston: Bruce Humphries, Inc., 1945), p. 212.

arises of why did the State Department choose to follow the course it did in the Alsop case. The answer to this question can be found in the legalistic and somewhat self-righteous attitude which guided the Department in handling of this case. This attitude is reflected in a note dated February 16, 1910 from J. Ruben Clark to Dawson. Clark was a member of the Solicitor's Office, the State Department's legal advisers, and had been deeply involved in formulating the policy which the Department pursued in the Alsop controversy. Clark's note was in reference to a letter from Wessel, Duval and Company, a United States firm with Chilean interests second only to those of Grace and Company. In the letter, which Dawson, now the Chief of the Division of Latin American Affairs, had forwarded to Clark, the Company suggested that the United States and Chile attempt to reach some agreement prior to the arbitration. It was apparently Wessel, Duval and Company's hope that this "out of court" settlement would lessen anti-Yankee sentiment in Chile. 79

In his note, Clark replied that he did not feel that the United States could take the initiative in suggesting a compromise solution to Chile. To do so, he maintained, would indicate that the United States was afraid to arbitrate or that the United States had forced Chile to agree to arbitration merely in the hope of persuading Santiago to settle an

79 Dawson to Clark, February 14, 1910, Memorandum from the Division of Latin American Affairs, Numerical File 1154/298.
unjust claim rather than going to the expense of arbitration. While acknowledging that there were those in Latin America who would criticize the United States no matter what it did, Clark rejected the idea that the United States would still appear as an oppressor even if the arbitral decision went against Washington. He suspected that habitual criticism of the United States came from either willful or ignorant failure "to understand the people of the United States and the policy of this Government," and from the habit of judging the United States by the critics' "own principles and standards." Concerning these principles and standards, Clark wrote:

They cannot understand that, since were they as powerful as are we, they would dominate and oppress weaker states and would seize from such states whatever those states had of value which they desired (just as Chile wearing a saintly mien, did with Peru and Bolivia) that the Government of the United States will not do likewise. Clark was convinced that the complaints of these habitual critics should be disregarded because there was nothing the United States could do to please them. "I find it difficult," he confessed, "to restrain my feelings on this matter when I am faced with the charges of some of these pious hypocrites who attack us." He was equally unsympathetic towards United States businessmen who urged leniency in handling the Alsop claim. Clark noted that it was merely a question "as to

80 J.R.C. to Dawson, February 16, 1910, note from the Office of the Solicitor, ibid.

81 Ibid.
whose ox is gored." The very firms which were objecting to the United States policy in the Alsop case would not hesitate a minute, he observed, in seeking assistance from the State department if their own interests were threatened.\(^{82}\)

Clark's remarks on the question of whether or not Chile should pay the Alsop claim are worth quoting at length. On this point he wrote:

> On this whole question, I may observe that I have never been able to understand why a solvent debtor should not pay his honest debts, nor why a solvent nation should not meet its just obligations. Nor can I understand why it should be thought that a request to pay a debt is an insult or an act of oppression. I always feel that, unless there be some overpowering reason to the contrary, one may reasonably ask and insist that a solvent debtor pay his honest debts, even though the debtor might prefer to avoid payment and even though the request for payment irritates and annoys the debtor. The good will of such a debtor can scarcely be classed as legal tender.\(^{83}\)

In summary, the position of the United States in regard to the Alsop claim was simply that the claimants had a just case against Chile, and Chile should settle this claim either by a cash settlement or arbitration regardless of criticism either from Latin America or United States business firms operating in Chile. In his annual message to Congress on December 7, 1909, President Taft expressed this view more succinctly and less caustically than Clark, albeit more authoratively, when he said "a citizen himself can not by contact [sic] or otherwise divest himself of the right, nor can this Government escape the obligation, of his protection in his

\(^{82}\)Ibid.  \(^{83}\)Ibid.
personal and property rights when these are unjustly in-
fringed in a foreign country."  

Dawson himself seems to have been of the opinion that the settlement of the Alsop claim, which had been a bother to United States-Chilean relations for so many years, actually served, by clearing the air, to promote better relations be-
tween the two countries. In 1911, while he was serving as Resident Diplomatic Officer in the State Department, a cari-
cature of President Taft taken from the Chilean magazine Zizzag came to his attention. The caption read "He has at-
tained impressive power and conquered universal applause by his noble idealist character and his great gifts for states-
craft." Dawson sent the caricature to the President's secre-
tary with the comment that "better than a ream of solemn of-
ficial interchanges the spirit & details of this caricature show that Chilean feeling toward the U.S. Govt has been rev-
olutionized since I was sent down there two years ago & that they are gladder than we are that the old Alsop sore was cauterized."  

Insofar as the Chilean Government was concerned, Daw-
son may have been correct. In a conversation with Charge Pierrepont in the early spring of 1910, Foreign Minister

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84 Message of the President, FRUS, 1909, p. xv.
Edwards indicated that he thought that the determined policy which Secretary of State Knox had pursued in finally eliminating the Alsop claim was correct, and that Chile proposed to follow the same tactics in finally bringing the Tacna-Arica controversy to a solution. However, notwithstanding a claim later made by Edwards that the Alsop case had not adversely affected the good relations between the United States and Chile, the tactics which the United States had followed in bringing the Alsop controversy to a conclusion did stir-up anti-Yankee sentiment in Chile. Dawson's and Edwards' statements can only be taken at their face value if one disregards popular and non-official sentiment.

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86 Dawson to Wilson, May 2, 1910, Memorandum from the Division of Latin American Affairs, Numerical File 1154/365, filed in Decimal File 425.11A78.

87 *Pike, op. cit.*, p. 142.

The appointment of Dawson as Chief of the Division of Latin American Affairs was part of a general reorganization of the State Department undertaken by Secretary of State Knox. Huntington Wilson, the new Assistant Secretary of State, was the guiding spirit in this reorganization. As Third Assistant Secretary under Root in 1906, Wilson, who had recently come to the Department from the secretaryship of the United States Embassy in Tokyo, had presented the Secretary with a plan for departmental reorganization along less centralized lines. To achieve the plan's objective of greater efficiency, one provision called for the creation of four geographical divisions to be manned by individuals who had served in the areas and were consequently familiar with their problems. Root, apparently preferring to retain direct control over the affairs of the Department, was reluctant to authorize the complete reorganization, but did allow Wilson to form and head the Division of Far Eastern Affairs. With Wilson's ascendancy under the new Secretary, his ideas of reorganization were bound to receive a more favorable hearing. In the summer of 1909, appropriations for the reorganization scheme were obtained.
from Congress and the reorganization itself undertaken.¹

In view of his twelve years service in Latin America, part of which had been spent in critical areas, and his general knowledge of the region, Dawson seems to have been a logical choice to head the Division of Latin American Affairs. As the name indicates, the Division was responsible for United States relations with the nations south of the Rio Grande. The order establishing the Division provided that its officers would handle all diplomatic and consular matters "in relation to Mexico, Central America, Panama, South America and the West Indies." Routine administrative affairs were excepted.² This wide latitude meant that the Division could be concerned with such diverse matters as a possible visit to the United States by President-elect Marshal Hermes da Fonseca of Brazil in 1910,³ and a revolution in Nicaragua.⁴


²Order of Secretary Knox establishing the Division of Latin American Affairs, November 19, 1909, Numerical File 21235/8. Prior to Dawson's returning to the United States, in December, 1909, William Tecumsch Sherman Doyle, the Assistant Chief, ran the Division. That the Division of Latin American Affairs was functioning under Doyle's administration as early as October 25, 1909 would seem to be indicated by memoranda and other documents contained in the Numerical Files of the Department of State, for example, see Numerical File 1502/251 et seq. It is possible that even earlier examples could be found. The Division itself was not officially established by the order of the Secretary of State, until November 19, 1909.

³Numerical File 24173.

⁴Numerical File 6369/591 et seq.
The efficiency which the reorganization envisioned was to be realized not merely in the handling of political relations with foreign powers but primarily in furthering and protecting United States commercial and financial interests in foreign countries. In recognition of the presence of a potentially large field for commercial expansion and the increasing investment of North American private capital in Latin America in addition to the growing importance of United States-Latin American diplomatic relation, Dawson was also to serve as Resident Diplomatic Officer in the State Department. This position was also newly created and like the geographical division was designed to provide expert advice to the Secretary of State in the formulation and execution of policy. With salaries of $7,500 the Resident Diplomatic Officer and the Counselor for the Department were the second highest paid officials in the Department of State.

Insofar as the departmental reorganization was concerned

5 Memorandum on developments within the Department of State, undated and unsigned, Knox Papers, Correspondence, June 2, 1908-April 22, 1909, Vol. 6.


7 Ibid., p. 28.

8 The Secretary of State's salary was $12,000, while the Assistant Secretary and Second Assistant Secretary received $5,000 and $4,500 respectively. Register of the Department of State, September 20, 1911 (Washington: Government Printing Office, 1911), p. 21.
with furthering the legitimate interests of United States commerce and financial investments, it can be seen to fit into the Taft Administration's policy of dollar diplomacy. In addition to merely assisting these commercial and financial interests, and perhaps more importantly, the policy of dollar diplomacy also implies the use of North American financial investments to obtain policy objectives. This latter was frequently used in dealing with the countries of Central America. As chief of the Latin American Division, Dawson dealt with both aspects of this policy.

One of the earliest matters which came to Dawson's attention in January, 1910, was concerned with obtaining new markets in Latin America. In March, 1909, the Argentine Government announced that it would accept bids for the construction of two battleships. In addition to French, British and Italian concerns, four North American shipbuilders entered the competition. The State Department was desirous of having the contracts awarded to an United States firm. However, the anti-Yankee sentiment stirred up in Argentina by the Alsop controversy and the report that Dawson had supposedly made a speech in Rio de Janeiro, while on his way home, attributing the resolution of the controversy to the Brazilian Government when Buenos Aires was seeking this credit seemed to dampen the

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prospects of having this desire realized.\textsuperscript{10}

In a memorandum to the Division of Latin American Affairs, in early January, 1910, Assistant Secretary Wilson noted that he was "getting worried about the battleships" and asked if the Division could not "think up some further pressure upon the Argentine."\textsuperscript{11} Dawson replied by asking if all the information was correct and stating that he was studying the matter. He then listed various points which might be used in bargaining with Argentina. Regarding his supposed Rio de Janeiro speech, he suggested that he might write a personal letter to the United States Minister in Buenos Aires on the subject of the speech, which could be shown to the Argentine Foreign Minister if it were thought necessary.\textsuperscript{12}

Apparently, it was never necessary to take any action. On January 21, the Argentine Cabinet awarded the contracts to the lowest bidder, which happened to be one of the United States companies. In a memorandum to Secretary Knox, Dawson observed that the contract meant that over $23,000,000 would be spent in the United States to the benefit of North American

\textsuperscript{10}C. H. Sherrill (U.S. Minister in Buenos Aires) to Secretary of State, November 25, 1909, No. 160; Sherrill to Secretary of State, December 9, 1909, No. 181, Numerical File 1070/155 and 159.

\textsuperscript{11}Assistant Secretary to the Division of Latin American Affairs, Numerical File 1070/161.

\textsuperscript{12}Dawson to Wilson, January 7, 1910, Memorandum, \textit{ibid}. 
industry and labor.\textsuperscript{13} Although the State Department's contribution to this achievement during the time when Dawson was concerned with the matter seems to have been relegated to keeping the North American firms up to date on the various Argentine specifications and changes,\textsuperscript{14} this was no minor factor considering the distances involved.

The State Department was not always so successful in securing Latin American contracts for North American firms. Sometimes this was made difficult by lack of interest on the part of the companies themselves. In April, 1910, Minister Sherrill in Buenos Aires informed the Department of State that the Argentine Government was interested in having a ship for use in the Antarctic built in the United States. This ship was to be similar to the one used by Commander Peary in his Arctic exploration.\textsuperscript{15} As soon as Sherrill's despatch reached his desk, Dawson got in touch with congressmen in whose districts shipbuilding firms were located. However, no firm was interested in the contract, and Dawson thought it unlikely that the Department would be able to find a ship yard that

\textsuperscript{13} Dawson to the Secretary, January 22, 1910, Memorandum, Numerical File 1070/175.

\textsuperscript{14} Ibid.

\textsuperscript{15} Sherrill to Secretary of State, April 4, 1910, No. 307, Decimal File 835.34/224, Records of the Department of State Relating to Internal Affairs of Argentina, 1910-29, Microcopy No. 514, (Washington: National Archives, 1963), roll 17.
would want the job. 16

Of course, in addition to looking for new markets in Latin America for United States industry and commerce, the Division of Latin American Affairs was also involved in protecting already existing North American financial investments south of the Rio Grande. An example of this can be seen in the case of the Bogotá City Railway Company. In March, 1910, Tunis G. Bergen, the President of the Railway Company had appealed to the State Department to instruct the United States Minister in Bogotá to watch that the Company's rights were not discriminated against simply because it was an United States corporation. 17 Bergen's appeal was prompted by riots against the Company in early March. These were anti-Yankee in spirit. They were particularly directed against the Company's lengthy concession which had been granted in 1906 by former President Reyes, contingent upon the Company converting from animal power to electricity. Prior to the riots, the municipal council of Bogotá had attempted to obtain a modification of the concession. 18

Minister Elliott Northcott in Bogotá was instructed to investigate and report on the situation. 19 The entire diffi-

16 T. C. D. to Davis (Bureau of Trade Relations, Department of State), July 1, 1910, Decimal File 835.34/232, ibid.
17 Bergen to Knox, March 22, 1910, Decimal File 321. 114B63/82.
18 Northcott to Secretary of State, April 7, 1910, No. 65, Numerical File 570/13.
19 Knox to American Legation, Bogotá, April 4, 1910, telegram, Numerical File 570/5.
cully was finally resolved in October, 1910, when the munici-
pal government of Bogotá purchased the Company. The State
Department's attitude on the case of the Bogotá City Railway
Company seems to have initially been formulated by J. Ruben
Clark of the Solicitor's Office in conjunction with Dawson.
Both men agreed that while sale of the Railway would remove
the cause for friction, the price must be equitable to both
parties. The value of the Company's property and investment
could not be sacrificed simply because the Colombian Govern-
ment failed to provide adequate protection. Furthermore,
until such time as the Government purchased the Railway at a
fair price, the Department expected that the Colombian Govern-
ment would provide adequate protection to the Company in the
operation of its street cars. Later, however, the Department
did agree to get the Company to accept the lowest possible
price. It is unclear whether Dawson was involved in formu-
lating the policy on this last point, since the decision seems
to have been made shortly after he had been appointed Minister

20 Frazier to Secretary of State, October 7, 1910, telegram, Decimal File 321.114B63/71.

21 J. R. C. to Dawson, May 10, 1910, Memorandum; Daw-
son's handwritten note at the bottom of this memorandum; and
Knox to American Legation, Bogotá, May 11, 1910, telegram,
Numerical File 570/15. Memorandum Division of Latin American
Affairs to Doyle and Coughlin, May 14, 1910; and Knox to
American Legation, Bogotá, May 14, 1910, telegram, Numerical
File 570/18. Wilson to American Legation, Bogotá, August 17,
1910, Numerical File 570/39. J. R. C. to Dodge, August 20,
1910, memorandum, Numerical File 570/40.

22 Wilson to American Legation, Bogotá, August 24,
1910, telegram, Numerical File 570/40.
to Panama. Apparently, the willingness which existed both in Washington and Bogotá to reach a settlement on this problem came largely from the desire to eliminate it as a possible cause of increased friction between the two countries, whose relations had never completely recovered from the Panamanian revolution of 1903. At any rate, the efforts which Dawson and other members of the State Department had exerted on behalf of the Bogotá City Railway Company's interests were duly recognized by the Company's Board of Directors in a resolution of appreciation passed in February, 1911. 23

In the two preceding cases, North American business interests clearly benefited from the assistance given by the State Department. At times, however, the relationship between the businessmen and financiers on the one hand and the State Department on the other could be mutually beneficial. While Central America was the region subject most frequently to that aspect of dollar diplomacy which called for the use of private United States capital in attaining policy objectives during Dawson's tenure as Chief of the Division of Latin American Affairs, there is at least one instance where this method of dollar diplomacy was considered for use in South America.

The continual presence of yellow fever and periodic outbreaks of bubonic plague made the chief Ecuadorian port of

23 Bergen to Knox, March 6, 1911, Dawson's Application and Recommendation File. The original copy of the resolution is in Decimal File 321.114B63/109.
Guayaquil a health hazard for ships stopping there. The possibility of a contaminated ship coming from Guayaquil to the Canal Zone made this problem a critical concern of the United States. During the Roosevelt Administration, an effort was made to encourage the Ecuadorian Government to take effective action to clean up the port. 24 Although some success was achieved along these lines, 25 the Government in Quito found it difficult to secure its complete objective because of strong local opposition to interference in Guayaquil's affairs. 26

As the result of a request from the United States War Department, 27 in October, 1909 the State Department instructed Minister William C. Fox in Quito to bring the matter of the sanitation of Guayaquil again to the attention of the Ecuadorian President, General Eloy Alfaro. 28 Fox presented a strong protest; but there seemed to be little likelihood of achieving any concrete results. 29 In addition to local objections in Guayaquil to interference from Quito, Fox also noted that the

24 William C. Fox (Minister in Quito) to Root, November 16, 1908, No. 390, Numerical File 468/79.

25 Ibid.

26 Dawson to Wilson, January 4, 1910, memorandum, Numerical File 468/93.

27 Acting Secretary of War to Secretary of State, October 5, 1909, Numerical File 468/91.

28 Wilson to Fox, October 25, 1909, ibid.

29 Fox to Secretary of State, December 31, 1909, telegram, Numerical File 468/92.
financial situation in Ecuador made it difficult for the Government to undertake the project. However, Fox reported he felt confident that if some assistance could be offered by the United States, the central government would accept any reasonable plan offered by the United States Government or by a banking firm and would consent to having the work directed or controlled by United States officials or by the Canal Zone authorities. 30

In the meantime, Fox had discussed the sanitation of Guayaquil with Archer Harman, a North American who, because of his aid to Alfaro during the latter's political eclipse in 1901 and after, enjoyed a considerable influence with the Ecuadorian President. Harman was also president of the Guayaquil and Quito Railway. He devised a scheme to accomplish the sanitation of the port and, with Fox's blessing, headed for Washington to present it to the State Department. Harman's interest in the sanitation of Guayaquil, as Fox admitted, sprang from more than mere humanitarian motives. Sanitation of the port would ultimately lead to the development of the rest of the country with the consequent prosperity of Harman's railroad. 31

In Washington, the correspondence relating to the sanitation of Guayaquil was being handled by the Division of Latin

30 Fox to Secretary of State, December 30, 1909, No. 561, Numerical File 468/97.

31 Fox to Secretary of State, December 30, 1909, No. 560, confidential, Numerical File 468/98.
American Affairs. The possibility of closing Panama to any ship coming from Guayaquil was considered as a means of pressuring Ecuador into taking some effective action. Before closing Panama, Dawson advised that the [locations in Lima and Santiago be contacted to learn if Peru and Chile were planning similar action against ships coming from the Ecuadorian port.32 Neither country contemplated such action,33 and Dawson thought that nothing should be done until he had had an opportunity to interview Harman.34

In an interview on January 19, 1910, Harman presented Dawson with two alternate plans. The first called for the United States directly to undertake the sanitation of the port providing the necessary funds at two per cent interest. The cost of the sanitation would be met out of the water tax, which would be collected by the United States, with the water works remaining the property of the United States until the entire debt was paid. The second scheme provided for the work to be undertaken by a private United States corporation. To secure its investment, the company would own the water works and enjoy the revenue from these plants plus that realized from a tonnage tax on all imports and exports from Guayaquil at

32 Dawson to Wilson, January 4, 1910, memorandum, Numerical File 468/93.
33 Cresson to Secretary of State, January 5, 1910, telegram; Pierrepont to Secretary of State, January 7, 1910, telegram, Numerical File 468/94-95.
34 Dawson to Wilson, January 12, 1910, memorandum, Numerical File 468/96.
the rate of $2.00 per ton. To obtain financial backing for the
company, Harman thought that it would be necessary for the
United States to agree to appoint an engineer and sanitary
officer to see that the terms of the company's contract with
Guayaquil were carried out, and to support the company in the
event that either the central government or the municipal gov-
ernment of Guayaquil interfered with the concession. In view
of his influence with President Alfaro and his belief that
the President would remain in power for the foreseeable future,
Harman assured Dawson that there would be no trouble in getting
the Ecuadorian Congress to pass the necessary laws permitting
and guaranteeing a loan.35

Neither of Harman's schemes received Dawson's unre-
served approval. The first plan he rejected outright. For
the United States to lend the money directly "would be consi-
dered throughout South America," Dawson was convinced, "as
virtually an annexation of Guayaquil."36 Concerning the sec-
ond project, he had several reservations. In the first place
Dawson was not at all convinced that Alfaro was assured of
continuing in power as Harman had indicated.37 Secondly, he
thought that Harman's scheme which called for the issuance of

35 Dawson to Wilson, January 20, 1910, memorandum, Numerical File 468/100.
36 T. C. D. to Wilson, January 31, 1910, memorandum, ibid.
37 Dawson to Wilson, February 4, 1910, memorandum, ibid.
$10,000,000 in bonds was overly generous to the capitalists.\footnote{38}{T. C. D. to Wilson, January 31, 1910, memorandum, \textit{ibid}.} Furthermore, Dawson was convinced that the provisions which called for United States guarantee of the company's rights were in violation of the Ecuadorian constitution, and to amend the constitution was a four year procedure.\footnote{39}{Dawson to Wilson, January 20, 1910, memorandum; T. C. D. to Wilson, January 31, 1910, memorandum, \textit{ibid}.} Finally, he thought that a contract between the proposed company and Ecuador, with the United States guaranteeing the company's rights, "would incite fears of our imperialistic designs among South Americans to nearly as great an extent as would Mr. Harman's first project for the United States to do it directly."\footnote{40}{Dawson to Wilson, February 4, 1910, memorandum, \textit{ibid}.}

His rejection of Harman's first project and reservations on the second did not mean that Dawson completely rejected the idea of obtaining the sanitation of Guayaquil through the agency of an United States corporation. His idea was to come up with some plan which would provide adequate guarantee in order that the money could be raised at only a little above the prevailing interest rates and at the same time would not arouse hostility towards the United States in Latin America.\footnote{41}{T. C. D. to Wilson, January 31, 1910, memorandum, \textit{ibid}. Dawson to Wilson, February 16, 1910, memorandum, \textit{Decimal File 822.124/134}.} By February 8, Dawson had devised a plan
which he apparently thought would meet these qualifications. The sanitation of the port was to be undertaken by a company incorporated under the laws of Ecuador whose majority stockholders presumably would be United States citizens. The municipality of Guayaquil would finance the work of sanitation by issuing five per cent bonds not to exceed $10,000,000. These bonds would be secured by the water and sewerage taxes, a tonnage tax placed on all exports and imports, and a lien on all municipal revenues. The water, sewerage, and tonnage taxes were all to be collected by an individual chosen by the company. Neither the Ecuadorian Government nor the municipal authorities in Guayaquil could interfere with the company's rights until such action had been approved by an arbitration board composed of representatives of the President of Ecuador, the company and the President of the United States. The Ecuadorian Congress was to ratify the contract and make any necessary changes in the charter of Guayaquil.  

Despite the fact that Dawson's plan did not provide for direct participation of the United States Government in the sanitation project, it is clear that there would have been adequate opportunity for the United States to intervene if it were eventually considered necessary to protect the North American investors. However, Harman and his legal adviser, R. Floyd Clarke felt that the needed capital could not be

42 Dawson's "Precis of Contract," stamped Latin American Division, February 8, 1910, Decimal File 822.124/133.
raised unless the United States and Ecuador entered into a treaty which would provide for the protection of the company's interests. 43

John B. Scott, the Solicitor of the State Department, favored Dawson's plan and was partly successful in bringing Harman and Clarke around to his way of thought. 44 Clarke next presented the Department with the draft of a protocol between Ecuador and the United States providing for the protection of the company's rights. 45 The protocol, while less formal than a treaty, was still not acceptable. Clarke was informed that the Secretary of State could not agree to negotiate the protocol which had been suggested, but would be willing to consider any other proposal he might wish to make. 46 A solution was finally reached in April, when Secretary of State Knox suggested a scheme by which a North American corporation would contract with Ecuador to effect the sanitation of Guayaquil and the United States would agree, through a simple exchange of diplomatic notes, to participate in arbitrating any dispute.


44 Dawson to Wilson, February 16, 1910, memorandum, note at the bottom of this memorandum dated February 17, 1910, Decimal File 822.124/132.

45 Dawson to Scott, February 19, 1910, memorandum, Numerical File 468/103.

46 Knox to Clarke, March 14, 1910, Numerical File 468/106. This letter was evidently drawn up by Dawson.
between the company and the Ecuadorian authorities. 47

No action had been taken on this plan up to the time that Dawson left the Latin American Division, in August, 1910. 48

In the meantime, however, Harman had presented the State Department with another scheme which would have benefited his railroad and also provided the cash necessary for the sanitation of Guayaquil. Dawson, while not committing himself fully to this plan, did find merit in it. The plan centered around an offer by the United States to purchase the Galapagos Islands for $15,000,000. Ecuador at this time was interested in selling the Islands in order to raise money for a pending war with Peru over a boundary dispute. The Ecuadorian Government had 30,000 men under arms and had been financing this army through its customs revenues. These revenues, however, had been earmarked to pay off the Guayaquil and Quito Railway and for the payment of interest on the bounded debt. In addition, the railroad had been carrying troops and supplies without pay-

47 Clarke to Secretary of State, April 9, 1910, Numerical File 468/114; Knox to Francis J. Heney, care of R. Floyd Clarke, April 20, 1910, Numerical File 468/109a; Guayaquil Concession, Form, April 22, 1910, attached to Clarke to Secretary of State, April 28, 1910, Numerical File 468/100.

48 The eradication of yellow fever from Guayaquil was finally achieved between 1913-1919, through the efforts of the Rockefeller Foundation. By 1930, Guayaquil qualified as a Class A - 1 port under the standards of the Pan American Sanitary Code. Lois F. Parks and Gustave A. Nuernberger, "The Sanitation of Guayaquil," The Hispanic American Historical Review, XXIII (May, 1943), 219-220. This article covers the problem of yellow fever in the port from the founding of the city until the eradication of the problem in 1919.
ment. It was thought that a mere threat by the United States to seize the Ecuadorian customhouses would be sufficient to convince President Alfaro to accept any restrictions on the use of the money which the United States might wish to impose. Harman, miscalculating the amount which was to be available, suggested that the money might be paid in the following manner: $6,000,000 for the sanitation of Guayaquil; $1,500,000 for arrears of railroad interest; $1,100,000 for the amount due the railroad for transportation; $2,000,000 towards the Government's floating debt with Ecuadorian banks; $4,750,000 for five to six years interest on railroad bonds held primarily by Englishmen.49

In commenting on this scheme Dawson observed that the advantages to the railroad and bondholders was clear, but before it could be considered it would be necessary to investigate the Railroad's relations with the Government. Moreover, he thought that it would aid Ecuador commercially and United States commerce indirectly. The greatest advantage he saw in the plan, however, was that Ecuador would have none of the money available to use in war preparations and the health hazard at Guayaquil would finally be removed.50

49 T. C. D. "Memorandum as To Terms and Conditions Upon Which the Galapagos Islands Could be Purchased," undated, stamped Division of Latin American Affairs, September 24, 1910, Decimal File 822.014G/80. This document had to be drawn up prior to September 24, 1910, since that was the date upon which Dawson assumed his new duties as United States Minister to Panama.

50 Ibid.
As previously mentioned, the use of private North American financial investments by the State Department to obtain policy objectives was a frequent occurrence in Central American-United States relations during the Taft Administration. The object of the policy was political stability through financial stability. In a memorandum entitled the "Altruistic Policy of the United States Toward Latin American Countries," which was signed by Dawson and prepared for a speech Knox was to give at the University of Pennsylvania on June 15, 1910, this point is brought out. Without economic prosperity and good governmental finances, good government, it was maintained, was impossible. The State Department earnestly desired "to bring about American sodality and to advance American interests everywhere on this hemisphere by assisting the financially weak nations to improve their fiscal and monetary systems." Loans from United States capitalists to help Latin American nations achieve these goals would be a benefit to both creditor and borrower.51

The primary motive in back of this policy of encouraging financial interference to secure sound finances and sound government was to remove any cause for European interference

51"Altruistic Policy of the United States Toward Latin American Countries," May 28, 1910, Knox Papers, General Correspondence, Box 28. This memorandum is signed by Dawson; but it is possible that someone else in the Division of Latin American Affairs actually authored it. Nevertheless, from the corrections, which are made in Dawson's handwriting, it is clear that he read it carefully.
in the Caribbean area. In addition there was a spirit of altruism in aiding these countries progress. Insofar as this policy was directed towards political stability, it did not differ from that pursued by the Roosevelt Administration, and was in fact a continuation of the growing interest which the United States Government had shown in the Central American Republics since 1903.

Partisan differences within the five republics of Costa Rica, Nicaragua, Honduras, El Salvador, and Guatemala, would have been sufficient to contribute to revolutionary disturbances. However, this situation was aggravated by the close connections between the Liberals and Conservatives in the various countries. This resulted in the dominate party in one country aiding its counterpart in another to gain power. Not only did this add to the likelihood of revolution, it also contributed to international wars. Moreover, the financial situations in these states was similar to that which had existed in the Dominican Republic prior to 1905: large foreign debts and claims against the governments and failure to meet

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54 Munro, op. cit., p. 161.

55 Ibid., p. 143.
these obligations.\textsuperscript{56}

Prior to becoming Secretary of State, Root appears to have seen an advantage in having at least Costa Rica, because of its proximity to Panama, under North American financial control,\textsuperscript{57} and towards the end of his tenure in the State Department, a proposition to reorganize Honduran finances received a favorable hearing.\textsuperscript{58} However, there was no attempt to extend a customs receivership, as had been done in the Dominican Republic, to any of the Central American countries during the Roosevelt Administration. Instead, Root worked with Mexico in order to secure stability on the isthmus by means of international agreements. From 1903 on, the State Department had offered its assistance in preventing international conflicts among the Central American republics. When war did break out in 1906, between El Salvador and Guatemala, the United States and Mexico were successful in getting the belligerents to agree to an armistice and later to agree to a general Central American peace conference. By urging joint action by the United States and Mexico, Root hoped to eliminate the suspicion which unilateral United States action might have caused.\textsuperscript{59}

\textsuperscript{56} Ibid., pp. 142-43.


\textsuperscript{58} Munro, \textit{op. cit.}, p. 165.

\textsuperscript{59} Ibid., p. 146.
The agreements signed at the conference which met in San José, Costa Rica, in 1906, were ineffective in keeping the peace. In early 1907, war broke out between Nicaragua and Honduras, with El Salvador coming to the aid of the latter. When José Santos Zelaya, the Nicaraguan dictator-President defeated a combined Honduran and El Salvadoran army and succeeded in setting up a new regime in Tegucigalpa under Miguel Davila, a general Central America war, directed against Zelaya's domination of Honduras, seemed likely. This danger temporarily passed when Nicaragua and El Salvador agreed on peace terms in April. However, Zelaya's continued interference in Salvadorean internal affairs led Guatemala to prepare for war against Nicaragua. Under these circumstances, in August, 1907, Mexico and the United States suggested another Central American Peace Conference. 60

Although Roosevelt and Root would have preferred the conference to take place in Mexico City, strained relations between Guatemala and Mexico resulted in the Central American republics insisting on Washington. The agreements signed at Washington in 1907 among the five Central American republics provided for the establishment of a permanent Central American Court of Justice, the neutrality of Honduras, restriction on the activities of political exiles living within their territories in order to prevent attacks on neighboring states, and

60 Ibid., p. 147-49.
agreement not to recognize any regime which had come to power by revolution. The United States and Mexico were not signatories of these treaties; nevertheless, since they had sponsored the conference and since their representatives had attended its meetings, they were morally committed to the principles of the Conference. 61 Although it may have seemed reasonable to hope that the Washington treaties of 1907, particularly the Permanent Court of Justice, might preserve the peace in Central America, by 1909, there were already signs that neither the agreements nor the court were proving as effective as hoped. 62

Secretary of State Knox rejected neither the international machinery which Root helped institute, nor, originally, cooperation with Mexico. 63 He continued to use these and merely employed loan agreements and custom receiverships as additional instruments in attaining his goal. In so doing, Knox and the other officials in the State Department were following the example set in the Dominican Republic, 64 an undertaking in which Dawson had played a prominent role.

During Dawson's tenure as Chief of the Division of Latin American Affairs there is no indication that he opposed

63 Ibid., pp. 162, 164.
64 Ibid., pp. 161-162.
the policy of financial intervention in the affairs of the Central American republics. His attitude is reflected in the case of the Honduran loan and planned customs receiverships. By the time he came to the Department, negotiations between the Government of Honduras and the banking firm of J. P. Morgan and Company were already under way for a loan to refund the national debt. The negotiations had the blessing and encouragement of the State Department.\(^{65}\) In December, 1909, an agreement was reached providing for the issuance of $10,000,000 of five per cent bonds. The plan was contingent upon the United States entering a treaty with Honduras in which the independence of Honduras would be guaranteed, and the United States would participate in the collection and distribution of the custom revenues.\(^{66}\)

When the plan came to Dawson's attention, he was apparently somewhat sceptical about it.\(^{67}\) He advised that the Department would want to consider the "numerous bearings" on the matter of the scheme and that it might be wise, if it were considered at all, to do so in relation to arrangements with other Central American states.\(^{68}\) Perhaps remembering the

\(^{65}\)For the background and the details of these negotiations see *ibid.*, pp. 217-221.


\(^{67}\)*Ibid.*, pp. 221-22.

\(^{68}\)Dawson to Wilson, January 6, 1910, Numerical File 17624/91.
difficult time that the Dominican treaty had had in the United States Senate, and basing his opinion on his experience in the Dominican Republic prior to the *modus vivendi* of April 1, 1905, Dawson observed that the "general right of protecting American citizens and property," would be sufficient without a formal treaty to allow the State Department to effectively protect a North American customs collector in the operation of his duties. 69 After further consideration and study of the case, Dawson's doubts seemed to have diminished. He concluded that a treaty on the model of the Dominican treaty of 1907 would be the best arrangement. 70

At the time that the Honduran loan plan was under consideration, Dawson was also studying Archer Harman's scheme for the sanitation of Guayaquil. In regard to the latter, as indicated, Dawson had rejected the idea of a United States-Ecuadorian treaty protecting North American investment as being too likely to arouse South American fears of United States imperialism. There was no similar worry in the case of Honduras. He thought that Mexico would secretly oppose the arrangement, and so would "the grafting military and political elements" in

69 Dawson to Wilson, January 11, 1910, memorandum, Numerical File 17624/01. Munro also refers to these memoranda, pp. 221-22.

70 Dawson to Wilson, February 21, 1910, memorandum, Decimal File 815.51/96, Records of the Department of State Relating to Internal Affairs of Honduras 1910-29, Microcopy No. 647, (Washington, National Archives, 1966) [hereafter cited as Internal Affairs of Honduras 1910-29], roll 34.
the rest of Central America. Nevertheless, again basing his opinion on the experience in Santo Domingo, he did not think that the United States' action would produce much alarm in the rest of Latin America. The difference, Dawson explained, was that "the geographical and international situation as regards Honduras is entirely different from the one we find ourselves in with regard to Ecuador..." 71 By the time Dawson left the Latin American Division, the matter of the loan agreement and treaty had not yet been completed.

Another Central American issue before the State Department at this time was the question of according recognition to one of the two factions contending for control of Nicaragua. This situation was the result of a revolution which had broken out against President José Santos Zelaya in October, 1909. Zelaya, a Liberal from the city of León, who had ruled dictatorily since 1893, 72 had gained the hostility not only of the Conservatives from the city of Granada, but also that of North American business interests centered at Bluefields on the east coast. Moreover, his interference in the affairs of other Central American countries had convinced the State Department

71 Ibid.

that he was a menace to the stability and peace of the region.\textsuperscript{73}

The October, 1909 revolution, which began in Bluefields was led by General Juan J. Estrada, the Liberal governor at Bluefields, and the Conservative Don Adolfo Díaz, and supported by the Conservative generals, Emiliano Chamorro and Luís Mena.\textsuperscript{74} Although Secretary of State Knox's former law firm had represented individuals with interests in North American companies operating in Bluefields, and while it seems certain that the State Department had prior knowledge of the revolt, there appears to be no evidence proving that the Department was connected with this revolution.\textsuperscript{75} Once it was under way, officially the attitude of the Department of State toward the revolution was one of neutrality and care was taken not to leave room for criticism of any official action.\textsuperscript{76} Nevertheless, Assistant Secretary of State Huntington Wilson openly sympathized with the revolution,\textsuperscript{77} and Knox's failure to order

\textsuperscript{73}Munro, \textit{op. cit.}, pp. 169-170, 171-173.

\textsuperscript{74}J. Fred Rippy, \textit{The Caribbean Danger Zone} (New York: G. P. Putnam's Sons, 1940), pp. 169-70.

\textsuperscript{75}Callcott, \textit{op. cit.}, p. 279. Rippy, \textit{op. cit.}, p. 171. McDevitt, \textit{op. cit.}, p. 31. Munro, \textit{op. cit.}, pp. 173-174. All of these authors point out that the State Department had information showing that a revolution was about to develop. Both Callcott and Rippy imply that Knox's legal or financial connections may have had an impact on the State Department's actions. However, Munro, whose book is based on far more extensive archival research than the other two, maintains that there is no indication of any connection between the Department and the revolutionaries.

\textsuperscript{76}Munro, \textit{op. cit.}, p. 175.

\textsuperscript{77}Ibid.
Minister John Gardner Collidge, who was on leave, back to his post in Managua might be considered as a further indication of this sympathy. 78

Zelaya's execution of Lee Roy Cannon and Leonard Groce, two United States citizens who were serving in the revolutionary army when captured, provided Knox with an excuse to sever diplomatic relations with Nicaragua on December 1, 1909. The purpose of the Secretary of State's note to the Nicaraguan Legation breaking relations, according to one authority on United States Caribbean policy, was clearly to bring Zelaya's downfall. 79 In fact, the attitude of the United States had so undermined Zelaya's position that he felt it necessary to resign on December 16, and to go into exile in Mexico. The Nicaraguan Congress chose José Madriz a Liberal who was the Nicaraguan appointee to the Central American Court of Justice as provisional president. 80

Zelaya's removal did not result in any improved relations between the United States and Nicaragua. In Washington, it was felt that there was no indication that Madriz's Liberal regime was any different from that of Zelaya's, and recognition was not extended. Again, officially the attitude

78 Rippy, op. cit., p. 171.
79 Munro, op. cit., 177.
80 For the details of the events from the execution of Cannon and Groce see Munro, op. cit., pp. 175-179. Rippy, op. cit., pp. 171-72 and Callcott, op. cit., pp. 280-81 give less full accounts.
of the United States Government was one of neutrality and im-
partiality towards both factions. The sympathies of the offi-
cials in the State Department, however, continued to remain
with the Estrada revolution. Justifications were found for
refusing to recognize Madriz, and, while perhaps not intend-
ing to intervene on Estrada's behalf, continued refusal of
recognition for Madriz and the actions taken to protect for-
eign lives and property by the United States naval commanders
in the waters off the Nicaraguan coast, acted to the detriment
of the Madriz regime. 81

In the meantime, the Mexican Government's hostility
to the Guatemalan dictator, Estrada Cabrera, and opposition
to increasing United States influence in Central America led
to the break down of Mexican-United States cooperation in the
area. 82 Furthermore, the friendly attitude of President Por-
firio Diaz towards Zelaya led the State Department to be
suspicious of Mexican interference in Nicaragua. 83

As Chief of the Latin American Division, besides

81 Munro believes that Knox and Wilson may not have
considered the action of the naval commanders in preventing
the Madriz forces from bombarding Bluefields or in preventing
the Maximo Jérez, which had been the S.S. Venus before its
purchase by the Madriz faction, from blockading the port of
Bluefields as a violation of neutrality. Nevertheless, he
does not deny that the action was of definite benefit to
Estrada. Callcott and Rippy, both indicate that these ac-
tions were directly intended to aid Estrada. Munro, op. cit., p. 184. Rippy, op. cit., p. 172. Callcott, op. cit., p. 282.

82 Munro, op. cit., pp. 164-67.

83 Ibid., p. 179.
handling all incoming and outgoing correspondence on the Nicaraguan revolution, Dawson frequently met in Washington with the confidential representatives of Estrada and Madriz, Salvador Castrillo and Luis Corea respectively. Under the direction of Assistant Secretary Wilson, Dawson helped to formulate some specific policy for the State Department to follow in dealing with one or the other of the factions. As in the case of the Honduran loan, here again there is no indication that Dawson differed from the policy which Knox and Wilson had laid down before he came to the Division of Latin American Affairs in December, 1909.

In February, 1910, the State Department was receiving information which seemed to indicate that the Estrada forces were about to enter Managua. This information proved to be premature. However, at the time Assistant Secretary Wilson, anticipating a victory by the revolutionary forces, took steps to recognize Estrada. The Latin American Division was instructed to have the Solicitor's Office draw up a proclamation recognizing Estrada's Government as the provisional government.

84 Memorandum, December 29, 1909, Numerical File 6369/591 et passim.
85 Estrada to Castrillo, February 12, 1910, telegram; Estrada to Castrillo, February 23, 1910, telegram. These documents are filed with Decimal File 817.00 but are given no specific file number. Records of the Department of State Relating to Internal Affairs of Nicaragua 1910-29, Microcopy No. 632 (Washington: National Archives, 1966) [hereafter cited as Internal Affairs of Nicaragua 1910-29], roll 8.
of Nicaragua. The Division itself was to draw up two letters. Both of these were to be for Castrillo to present to the Secretary of State at the opportune moment. The first requested recognition of the Estrada faction as the provisional government of Nicaragua. The second was a letter expressing gratitude both for the impartial attitude which the United States had displayed during the revolution and for its influence in ending the Zelaya regime, and committing the provisional government to certain policies which the United States Government hoped to see the new Nicaraguan Government implement. Among these were punishment of Cannon and Groce's murderers, reorganization of Nicaraguan finances through a loan with North American bankers and equitable treatment of North American commercial and business interests, and finally the re-establishment of constitutional government with free elections. 86

Both Dawson and Doyle, the Assistant Chief of the Division, felt that the Washington treaties of 1907, made it difficult for the United States to recognize Estrada's Government, which would come to power as the result of a revolution, until the country was constitutionally organized. 87 Doyle, moreover, felt that to include the matter of the loan in the letter from Castrillo would only lead to a Liberal up-

86 HW to Dawson, February 24, 1910, memorandum, Decimal File 810.00/1373, ibid., roll 7.

87 Doyle to Dawson, February 25, 1910, memorandum, Decimal File 817.00/1375, ibid. T. C. D. to Wilson, February 25, 1910, memorandum attached to Decimal File 817.00/1374, ibid.
rising against Estrada's regime. He pointed out that the Liberals had continually argued that Estrada's victory would be the forerunner of United States aggression.\textsuperscript{88} Dawson did not share Doyle's caution. He felt that the Liberals would "raise the cry of 'gare aux guis' any way and that the present is our best opportunity to get the guarantee we really desire."\textsuperscript{89}

A few days prior to the date Dawson and Doyle submitted their opinions to Wilson, the revolutionary forces had suffered a major defeat.\textsuperscript{90} With the changing military situation, in early March, Corea urged that Madriz be recognized as \textit{de facto} and \textit{de jure} president of Nicaragua.\textsuperscript{91} Dawson rejected both contentions,\textsuperscript{92} and in spite of this changing military situation, the State Department did not become any more willing to recognize Madriz.\textsuperscript{93} In mid-April, Wilson asked

\textsuperscript{88}Doyle to Dawson, February 25, 1910, memorandum, Decimal File 817.00/1375, \textit{ibid.}

\textsuperscript{89}T. C. D. to Wilson, February 25, 1910, memorandum, \textit{ibid.} Munro incorrectly states that both Dawson and Doyle argued that the immediate announcement of the loan project would cause an uprising. Munro, \textit{op. cit.}, p. 180.

\textsuperscript{90}Munro, \textit{op. cit.}, p. 180.

\textsuperscript{91}Corea to Secretary of State, March 8, 1910, Numerical File 6369/828, filed with Decimal File 817.00, Internal Affairs of Nicaragua 1910-29, roll 4.

\textsuperscript{92}Dawson to Hoyt, March 9, 1910, memorandum, Decimal File 817.00/1770, \textit{ibid.}, roll 11.

\textsuperscript{93}Munro, \textit{op. cit.}, p. 181.
Dawson to draw up a plan for the United States to follow in regard to Nicaragua. He was also to prepare an official statement which would vindicate the United States' position and could be given to Madriz and made public.\(^{94}\)

Dawson suggested that a reply be sent to Corea's note of March 8, requesting \textit{de facto} and \textit{de jure} recognition of Madriz's presidency. In the note the United States would argue that Corea had not shown conclusively that Madriz was in control of the country and enjoyed the support of the people, thus entitling him to \textit{de facto} recognition. Furthermore, Corea was to be informed that before the United States recognized any Nicaraguan government, that government would have to indicate its willingness to prosecute those responsible for Cannon and Groce's deaths. No indication of this willingness, it was to be maintained, was apparent in the Madriz faction. Finally, any government recognized would have to agree to fulfill faithfully the Washington agreements of 1907.\(^{95}\)

Dawson thought that in addition to sending the note to Corea, it should also be sent to all United States Legations and Embassies in Latin America and be given as wide a publicity

\(^{94}\)HW to Dawson, April 14, 1910, memorandum, Numerical File 6369/906, filed in Decimal File 817.00, Internal Affairs of Nicaragua 1910-29, roll 4.

\(^{95}\)Dawson to Wilson, April 18, 1910, memorandum, "Project for Action in the Nicaraguan Situation," attached note to Corea, Numerical File 6369/907, filed with Decimal File 817.00, \textit{ibid.}
as possible. By doing this, it was hoped that any hostile criticism of the State Department's actions, particularly any criticism from Mexico, would be offset. Upon receiving the note, Dawson thought that Madriz would have two alternatives. First, he could give the United States the guarantees it sought and this might be done by requesting that a special commission be sent to Managua. Or, he could refuse to give any guarantee seeking the support of Mexico and joining with the anti-Cabrera factions in the other Central American countries. 96

Apparently, Dawson did not anticipate a favorable reception for the United States note in Managua. He suggested that the United States be ready to seize forcefully the custom receipts from Corinto and deduct a fixed sum as an indemnity for the murders of Cannon and Groce and for installments due on the Emery claim, a North American claim against Nicaragua which had been pending for sometime. However, he thought that this action ought to be postponed until after the Pan American conference which was to meet in Buenos Aires in 1910, and until after the State Department had come to the conclusion that Mexico and Madriz were "determined to continue their anti-American policies." 97

Dawson's severe stand was perhaps motivated by what he thought was increasing Mexican influence in Central America.

96 Dawson to Wilson, April 18, 1910, memorandum, "Project for Action in the Nicaraguan Situation," ibid.

97 Ibid.
and the danger that the State Department's plan to reform the economy of Nicaragua might be thwarted by Madriz. He noted that Madriz was trying to get a loan from a British syndicate which would be guaranteed by both the custom receipts and the liquor and tobacco monopolies for the next thirty-four years. This plan, Dawson thought, "would complicate and embarrass our Central American negotiations and interests for years to come."

In addition, he observed that the Guatemalan dictator Estrada Cabrera was beginning to show signs of being unfavorable to North American influence and loan projects. Dawson interpreted this attitude as perhaps indicating that Estrada Cabrera feared "that the pressure of Zelayaism and Mexicanism will be too strong and is contemplating lining his pockets as quickly as possible in the meantime." Dawson saw little hope for stability in Central America in the immediate future unless the United States should decide "to let the anti-Estrada Cabrera and Mexican factions have free swing for the next year or two." In view of the situation as Dawson saw it, he thought that by presenting Corea with the note he suggested, the United States would be showing its determination and would thus "force Mexico and Madriz to come to us and try to reach terms." 98

An offer by the Central American Court of Justice to mediate between the two factions in Nicaragua, which eventually

98 Ibid.
came to nothing, may explain why Dawson's plan was not adopted by the State Department.\textsuperscript{99} Or, in April, the plan may still have been considered too bold. However, this does not mean that his suggestions were necessarily out of tune with the thinking in the Department. In June, J. Ruben Clark of the Solicitor's Office was instructed to draw up a memorandum which could be used to justify United States military intervention in Nicaragua and to gather precedents for obtaining congressional approval for the use of the armed forces with and without a formal declaration of war.\textsuperscript{100} Although Clark's memoranda on these topics were never used, the fact that they were drawn up would seem to indicate a more aggressive policy was being considered as time passed.

In late August, the revolution came to an end with the victory of Estrada's forces. Madriz's position had been weakened when in May the United States naval commander at Bluefields prevented any fighting in the city and refused to allow the Madriz forces to bombard or blockade this last stronghold of the revolutionary forces. Following the failure to take Bluefields, small uprisings against Madriz occurred in areas previously secured, and in July, the revolutionary forces assumed the offensive which ultimately resulted in their capture.
of Managua on August 28.101

On August 26, Thomas P. Moffatt, the United States Consul at Bluefields, cabled the Secretary of State that Estrada was planning to inform the State Department through Castrillo, of the policies his Government intended to follow. These included "re-establishment of the country's finances," elimination of the monopolistic policies of Zelaya, and free election of a constitutional president within six months.102 They did not differ radically from the policies which the State Department hoped to see fulfilled. The latter were included in a telegram Castrillo sent to Estrada, stating the exact terms in which Estrada should ask for recognition as provisional president,103 and were almost identical to those which Wilson had mentioned in his instructions to the Latin American Division in February. Elections were to be held within six months. The assistance of the United States was to be sought in obtaining a loan from North American bankers. This loan was to be secured by a portion of the customs revenues collected in a manner to be agreed upon by the United States and Nicaragua. Assurances were to be given that those responsible for the killing of Cannon and Groce would be brought to justice and an

101 Munro, op. cit., p. 186.

102 Moffatt to Secretary of State, August 26, 1910, telegram, Decimal File 817.00/1352, Internal Affairs of Nicaragua 1910-29, roll 7.

103 Munro, op. cit., p. 187.
indemnity paid to the families of the dead men. Finally, the United States Government was to be requested to send a commissioner to Nicaragua to act on any of the matters which might require a formal convention. 104

Estrada was reluctant to accept the United States' program, and informed Castrillo that David Arellano was being sent to Washington as a special envoy to treat with the State Department on the various points included in Castrillo's telegram. Castrillo replied that the situation was difficult and urged the immediate acceptance of the United States' program. He argued that an envoy sent to Washington would be able to achieve nothing. 105 Castrillo's reply apparently persuaded Estrada that if he wanted the recognition of the United States he would have to comply with the program set down by the State Department, and, on the tenth of September, he sent Castrillo a telegram requesting recognition, including all the points that the State Department wanted. However, with regard to the election of the president, there would be a delay of one year, the exact date being fixed by a constitutional convention con-

104 Wilson to American Consul, Managua, September 1, 1910, Decimal File 817.00/1370A, Internal Affairs of Nicaragua 1910-29, roll 7.

105 Undated and unsigned memorandum containing the telegrams exchanged between Castrillo and Estrada on September 9, 1910, Decimal File 817.00/1369, ibid. Olivares to Secretary of State, September 3, 1910, telegram, Decimal File 817.00/1369, ibid.
voked for that purpose. The formal request for recognition was transmitted to the State Department on September 12, and two days later Wilson replied to Castrillo's note, thus according Estrada's provisional Government recognition as the de facto government of Nicaragua. By October 8, Knox and Wilson had selected Dawson as the United States commissioner Estrada had been required to request.

Dawson, at this time, was no longer Chief of the Division of Latin American Affairs. In June, 1910, he had been appointed Minister to Panama and had left for his new post in the late summer. Two and a half weeks after the formal presentation of his credentials, he received notification of his appointment as Special Agent of the United States to the provisional Government of Nicaragua. The object of Dawson's mission was to secure the implementation of the program which the provisional Government had promised to fulfill in its

106 Castrillo to Wilson, September 12, 1910, Decimal File 817.00/1395, ibid.

107 Wilson to Castrillo, September 14, 1910, Decimal File 817.00/1395; Wilson to American Consul, Managua, September 16, 1910, telegram, Decimal File 817.00/1400, ibid.

108 Adee to Secretary of State, October 8, 1910, Decimal File 817.00/1452a, ibid., roll 8.

109 Untitled calendar of Dawson's appointments from 1907 to 1911, Dawson's Application and Recommendation File.

110 Adee to Dawson, October 11, 1910, telegram, Decimal File 817.00/1432A, Internal Affairs of Nicaragua 1910-29, roll 8.
request for recognition. Dawson's knowledge of the State Department's desires and his knowledge of the situation gained as Chief of the Latin American Division, in addition to his proximity to Nicaragua made him a logical choice for this assignment.

He arrived in Managua on October 18, and almost immediately found that before he could hope to accomplish his mission, it would be necessary to restore some semblance of unity among the various factions into which the revolutionary party had disintegrated. Estrada, it will be remembered, despite his opposition to Zelaya, was a Liberal. The revolution itself, however, was really a Conservative movement against the dictatorship of Zelaya. Once Managua had been captured and the provisional Government established, there were those in the Conservative Party who wished to limit greatly Estrada's powers and to take repressive measures against the Liberals. Furthermore, personal ambitions led to division among the Conservatives themselves. The two prominent Conservative military leaders, Generals Luis Mena and Emiliano Chamorro, were vying with one another for control of the military supplies and the presidency of the republic. Dawson

111 Ibid.

112 Dawson to Secretary of State, October 19, 1910, telegram, Decimal File 817.00/1443, ibid.

113 Dawson to Secretary of State, October 28, 1910, telegram, Decimal File 817.00/1445; Dawson to Dodge, November 17, 1910, Decimal File 817.00/1473, ibid.
reported that under these conditions the situation was "virtual anarchy." 114

The elimination of Estrada and the creation of a completely Conservative Government might have removed some of the problems. Dawson, however, thought Estrada's retention of the presidency was the only way to placate the Liberals and thus prevent another revolution. Consequently, he followed a course which would keep Estrada as president and at the same time have the various Conservative factions reconciled and supporting Estrada. A popular presidential election, Dawson thought, was at that time impractical and potentially "dangerous to peace." The solution, therefore, was to call a constitutional convention which would have the power to draw up an electoral law and would select Estrada as the president for a term of two years. 115 The advantages of this scheme were clearly that Estrada, as constitutional president, could be recognized by the United States and the plan for economic reform began, without any violation of the Washington agreements of 1907, and that the enforced presidency, while securing the peace, would be only temporary. To secure this plan, Dawson resorted to a series of agreements signed by the four prominent leaders in the revolution: Estrada, Adolfo Díaz, a Conservative

114 Dawson to Secretary of State, October 28, 1910, telegram, Decimal File 817.00/1445, ibid.

115 Dawson to Secretary of State, October 28, 1910, telegram, Decimal File 817.00/1445; Dawson to Dodge, November 17, 1910, Decimal File 817.00/1473, ibid.
but a personal friend of Estrada, Mena, and Chamorro.

Estrada, Mena, and Díaz were willing to accept this plan. Chamorro initially proved reluctant. To discourage any idea that a revolution was possible, Dawson informed all four men that the United States would never recognize a government which came to power by a coup d'état. Whether this or other considerations persuaded him, Chamorro finally agreed to the arrangement which Dawson proposed. On October 27, Estrada, Mena, Díaz, and Chamorro signed three sets of agreements. By the first, they agreed to the election of a constitutional assembly which would meet in December and elect a president and vice president who would serve for a two year period. The four agreed to support the candidacy of Estrada and Díaz for president and vice president respectively. Furthermore, they agreed that the constitution which would be composed would abolish monopolies and provide for the protection of the legitimate interests of foreigners. Finally, a popular election would be held to fill the office of president for the term following the interim period. The second agreement provided that a claims commission would be instituted between the United States and Nicaragua to eliminate any unsettled claims. The four also agreed to see that those responsible for Cannon and Groce's deaths were prosecuted and an indemnity paid to

116 Munro, op. cit., p. 188.
117 Dawson to Dodge, November 17, 1910, Decimal File 817.00/1473, Internal Affairs of Nicaragua 1910-29, roll 8.
the families of the North Americans. The final agreement committed the men to ask the United States Government to assist Nicaragua in obtaining a loan guaranteed by a portion of the customs receipts, with United States aid in collecting these.\footnote{FRUS, 1911, pp. 652-54.}

In addition to these three sets of agreements, Estrada, Díaz, Chamorro, Mena and Fernando Solórzano, another prominent Conservative, signed a fourth agreement which dealt with the election of Estrada's successor. The five men agreed that Estrada would not succeed himself. By a majority vote, they would select candidates for the presidency and vice presidency whom they would support in the election for Estrada and Díaz's successors. In order not to interfere with the freedom of elections, they also agreed not to concentrate troops in any one section of the republic. Finally, the supporters of Zelaya were not to be permitted to enter the administration.\footnote{Ibid., p. 654.}

Taken together, these four agreements are known as the Dawson Agreements.\footnote{See Munro, op. cit., pp. 188-89; Callcott, op. cit., p. 283; Rippy, op. cit., p. 174; and Issac J. Cox, Nicaragua and The United States 1909-1927 (Boston: World Peace Foundation Pamphlets, 1927), p. 710.}

In a note to Dawson, the Nicaraguan Foreign Minister, Tomás Martínez, officially informed the United States of the program which the Nicaraguan Government was committed to follow in the first three agreements. In reply, Dawson expressed the...
United States' pleasure in the program which had been adopted. Since the fourth agreement concerned domestic matters, no official notice was taken of it.\textsuperscript{121}

While Dawson was successful in securing his mission's objective of officially committing the Nicaraguan Government to the program which the State Department desired and laying the foundation for the implementation of this program, he did not necessarily win the approval of all the Nicaraguan factions. Among the Conservatives, it is true, there apparently was support. The Liberals, however, remembering too well the part that the United States had played in the down fall of Zelaya and Madriz, remained hostile. The possibility of an anti-United States demonstration prevented Dawson from visiting León, the Liberal stronghold.\textsuperscript{122} Prior to and following Dawson's departure from Nicaragua, Liberal newspapers attacked him and the Conservatives for making Nicaragua a virtual North American protectorate. Representative of these attacks was a speech of a young man, made at a Liberal meeting in Managua shortly after the announcement of the agreements. In his emotional diatribe he proposed to avenge his country stating:

\begin{quote}
I willingly offer myself as a sacrifice for my country and to bequeath it a grand example. Gentlemen, here is my hand, it is ready to do justice, with it I shall bury the dagger of vengeance into the heart of that Yankee, who comes to give our country over to those infamous traitors.
\end{quote}

\textsuperscript{121}FRUS, 1911, p. 654.

\textsuperscript{122}Dawson to Dodge, November 17, 1910, Decimal File 817.00/1473, Internal Affairs of Nicaragua 1910-29, roll 8.
Tell me that what has just been published is true, and I swear by the sacred ashes of my parents that in this very hour, to-morrow, as soon as I may catch that man, I shall kill him as I would a sick dog, in order to make a warning so that the yankees may know how a weak people answers the brutal imposition of force.123

Following the completion of his assignment in Nicaragua, Dawson returned to Panama. Shortly thereafter, perhaps as a result of poor health, and certainly to report on his mission to Managua and to assist in the Nicaraguan loan negotiations, he left for the United States.124 He apparently remained in Washington until February 13, when he left for Honduras to act as Special Commissioner of the United States to preside over a meeting between two warring Honduran factions.125

This new assignment came as a result of a revolution which had broken out in January, 1911, against the government of President Miguel Davila. Davila, as previously mentioned, 123

123 Quoted in J. Johnson (U.S. Consul in Corinto) to Secretary of State, November 14, 1910, No. 78, Decimal File 817.00/1489, Internal Affairs of Nicaragua 1910-29, roll 9.

124 Dawson to Dodge, November 17, 1910, Decimal File 817.00/1473, Internal Affairs of Nicaragua 1910-29, roll 8. Untitled calendar of Dawson's appointments 1907 to 1911, Dawson's Application and Recommendation File. That Dawson was involved in matters concerning the economic and fiscal affairs of Nicaragua during his stay in the United States in January, 1911 is further indicated in a letter from Knox to Ernest H. Wands, dated January 20, 1911. Wands, the financial expert who had been appointed by the Department to investigate the financial situation in Nicaragua, was instructed to consult with Dawson and Elliott Northcott, the new minister to Nicaragua. Decimal File 817.51/99A, Internal Affairs of Nicaragua 1910-29, roll 70.

125 Dawson to Secretary of State, April 30, 1911, Decimal File 815.00/1284, Internal Affairs of Honduras, 1910-29, roll 6.
had been placed in power in 1907 as a consequence of Zelaya’s victory over the Conservative regime of Manuel Bonilla in the Nicaraguan-Honduran war of that year. The leader of the 1911 revolution was none other than Bonilla. In his attempt to displace Davila, Bonilla enjoyed the support of the Guatemalan president, Estrada Cabrera, and individuals who were apparently closely connected with the United Fruit Company. 126

In early January, 1911, shortly before the beginning of the revolution, the State Department had been successful in negotiating with the Davila Government a treaty which called for Honduras to negotiate a loan for the purpose of refunding its external and internal debts. This loan was to be secured by the customs revenues which would be collected by a Collector-General of customs during the life of the loan. While this collector was not directly appointed by the United States, he would have the approval of Washington, since he was to be appointed by the Honduran Government from a list approved by the President of the United States. Furthermore, both the United States and Honduras would provide the collector with protection whenever this became necessary. In addition, negotiations for a loan contract with J. P. Morgan and Company were nearing completion. 127 The fact that Davila had accepted the loan treaty and that his enemies were receiving support from

127 Munro, op. cit., pp. 223-224.
Guatemala in direct violation of the Washington agreements of 1907 seem to have disposed the State Department to support him over Bonilla in the revolution. 128

However, when the Bonilla forces attempted to take Puerto Cortes, the last Government stronghold on the north coast, the commander of the U.S.S. Tacoma intervened to protect the lives and property of foreigners living in the city. He notified the opposing forces that fighting would not be allowed in or immediately around the city. The Government forces would have to withdraw and meet the revolutionary forces a safe distance from Puerto Cortes. This would have acted to the detriment of the Government forces, and an anticipated revolutionary victory would make the Government's position virtually unattainable. 129 Davila protested this restriction on his forces, but, in view of Bonilla's increasing strength, he offered to resign. He called upon the United States to arbitrate between the two factions and name, or at least approve, his successor. 130

In the State Department, it was decided to support the Navy's prohibition on fighting in Puerto Cortes. However,

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129 Munro, op. cit., p. 229.

130 Munro, op. cit., p. 228. McCreery to Secretary of State, telegrams January 27, 28, 29, 30, 1911, Decimal File 815.00/1035-1038, Internal Affairs of Honduras, 1910-29, roll 4.
rather than letting this prohibition act as an aid to Bonilla's forces, the State Department authorized the United States Minister in Tegucigalpa to suggest to both sides that an armistice be instituted and that representatives of the factions meet under United States auspices aboard an United States naval vessel in an attempt to reach a mutually satisfactory solution to their differences, including the question of the presidency of the republic. The reasoning in back of this decision seems to have been that Bonilla's position was considered to be such that he would ultimately win. It was thought that through the agency of a peace conference it might be possible to have the two factions agree upon an individual other than either Davila or Bonilla, "but necessarily with Bonilist leanings" as interim president until a popular assembly could be elected. Second Assistant Secretary Adee believed that, in this way, the United States would be put "in a fairly good position to entitle us to Bonilla's good will."

By February 11, both sides had accepted the United States proposition and Dawson was appointed as the United States' Special Commissioner. As in the case of the assignment to Nicaragua, here again his familiarity with the Department of State's views on the matter and his acquaintance with

131 Knox to American Legation, Tegucigalpa, January 31, 1911, Decimal File 815.00/1055A, ibid.

132 Memorandum from the office of the Second Assistant Secretary, January 30, 1911, Decimal File 815.00/ no document number, Internal Affairs of Honduras, 1910-29, roll 3.
Honduran affairs as a result of his service in the Latin American Division doubtless account for his appointment. 133

Dawson arrived at Puerto Cortes on the morning of February 19, 134 the representatives of Davila and Bonilla coming shortly thereafter. On the twenty-first, the peace conference formally began aboard the U.S.S. Tacoma. Prior to the first meeting, Dawson suggested that the representatives try to form some compromise. When they were unable to do so, he interpreted this failure as an indication that neither side was really interested in coming to a compromise but merely hoped either to use the conference as a means of forcing its ideas on the other, or to lead to the termination of the conference and the resumption of the fighting. 135

It soon became clear, however, that both sides were anxious to please the United States. While neither side would willing give in on any point, both were eager to be the first to accept any suggestion which Dawson might make. 136 Therefore, Dawson apparently following the ideas which were current in the State Department, formulated a compromise plan himself.

133 Wilson to Dawson, February 11, 1911, Decimal File, 815.00/1189A, Internal Affairs of Honduras, 1910-29, roll 5.

134 Dawson to Secretary of State, undated telegram, received February 20, 1911, 4:25 P.M., Decimal File 815.00/1134, ibid.

135 Dawson to Secretary of State, April 30, 1911, Decimal File 815.00/1284, Internal Affairs of Honduras, 1910-29, roll 6.

136 Ibid.
Since Davila had already indicated his willingness to exclude himself from the presidency, Dawson's plan called for the elimination of Bonilla as a possible presidential contender and the conference's acceptance of a supporter of Bonilla as president. To implement his plan, Dawson urged the opposing representatives to reach an agreement on the presidency. When it became apparent that no agreement could be reached on this point, and after the factions had agreed upon a program for the provisional government to follow, he consented to comply with their requests that he suggest the individual who would serve as provisional president. He selected Francisco Bertrand, a Bonilla partisan.

The program accepted for the provisional government provided for a general political amnesty, free elections for national and local authorities, governmental assumption of the debts incurred by both factions, the distribution of cabinet posts equally between Davila and Bonilla partisans, and the disarming of the opposing military forces. The provisional government was to respect all commitments made by both the Davila Government and the revolutionaries. Finally, the conference recommended that the provisional government settle the public debt "as a means of recovering the national credit, which is without doubt indispensible for the development of

137 Dawson to Secretary of State, April 30, 1911, and enclosure: Minutes of the Peace Conference aboard the U.S.S. Tacoma, Decimal File 815.00/1284, ibid.
Dawson's mission to Honduras might be considered a success, insofar as it was directed towards restoring peace to the country and providing for a relatively orderly transfer of power to Bonilla. However, the attempt to provide a compromise solution between the two factions, which was clearly envisioned in the program for the provisional government, proved to be illusionary. The success of this plan depended on the good will of both factions, but particularly the Bonillistas now that they controlled the presidency. This was too much to be expected. The Bonillistas consolidated their position appointing only their partisans to office, and in the October elections, from which Bonilla emerged victorious, there was no pretense of freedom.¹³⁹

Although there seems to have been no attempt to require Bonilla to accept the loan treaty with the United States and the loan contract which Davila had signed with J. P. Morgan and Company,¹⁴⁰ there can be no question that Dawson and his superiors in the State Department hoped that these agreements would be accepted. Since the provisional government was supposed to accept the commitments made by the Davila Government and since the Bonillista representative at the peace conference

¹³⁸ Minutes of the Peace Conference aboard the U.S.S. Tacoma, ibid.
¹³⁹ Munro, op. cit., p. 231.
¹⁴⁰ Ibid., p. 231.
had indicated that Bonilla would negotiate a loan agreement, the possibility that a loan agreement and a form of a customs receivership would be accepted probably seemed very likely. However, here again, the hopes of the State Department were not fulfilled.

In the meantime, the arrangement which the Dawson Agreements had set up in Nicaragua was faring even worse than that established by the peace conference in Honduras. Dawson's success in securing a semblance of agreement among Estrada, Díaz, Mena and Chamarro was at best ephemeral. The continuance of agreement depended on the willingness of the various parties to maintain the status quo. It soon became evident that they were not willing to do so. Mena and Chamarro continued to plot against one another and to attempt to weaken and embarrass Estrada. In the spring of 1911, Estrada, in frustration, left the country and Díaz assumed the executive power. This, however, really did not alter the situation. In spite of the fact that the State Department continued to urge the fulfillment of the Dawson Agreements, the plotting continued.

Initially, it seemed that the plan to reorganize Nicaraguan finances through a loan from North American bankers guaranteed by some form of a customs receivership, supported by

141 Dawson to Secretary of State, April 30, 1911, Decimal File 815.00/1284, Internal Affairs of Honduras, 1910-29, roll 6.

142 Munro, op. cit., pp. 231-35.

143 Ibid., pp. 189-92.
the United States, would be more successful. In January, 1911, the State Department sent Ernest H. Wands to Managua as a financial adviser to the Estrada Government. By the spring, negotiations for a loan contract with the firm of J. and W. Seligman and Company were well advanced. Moreover, in June Knox and Castrillo, the Nicaraguan Minister in Washington, signed a treaty which was identical in content to the one signed between the United States and Honduras in January, 1911, providing for a form of a customs collectorship in the event that Nicaragua obtained a loan from a United States banking house. Although the treaty received speedy ratification in the Nicaraguan Congress, it failed to receive the approval of the United States Senate.144

Despite the failure of the Knox-Castrillo treaty to receive senatorial ratification, in September, 1911, the bankers signed a loan contract with the Nicaraguan Government. However, since this loan for $15,000,000 would not become effective until the treaty was ratified, the bankers agreed to make an immediate loan of $1,500,000 to be secured by the custom receipts which were to be collected by a Collector-General, whom the bankers had nominated and the State Department approved. In December, 1911, Colonel Clifford D. Ham, who had served in the Philippines custom service, was appointed to collect the custom revenues. Hence, in part the customs

receivership plan was partially put into operation. In March, 1912, the bankers extended further financial assistance to the Nicaraguan Government. This time to secure the loan, the bankers acquired a controlling interest in the government owned railroad and assumed direction of the railroad until the loan was paid. Later in the year, when the revolutionary forces under the command of Mena seized a lake steamer belonging to the railroad, the United States intervened militarily at the request of Díaz in order to protect the lives and property of United States citizens in Nicaragua. The revolution collapsed but the marines were not removed until 1925.

In summary, Dawson clearly supported the policy of dollar diplomacy as applied to the countries of Central America. In a letter to Senator Albert Cummins urging the Senator to support ratification of the treaties with Honduras and Nicaragua, Dawson wrote:

You know already how deeply I feel that we owe to our southern neighbors some aid in putting them on the road to good government, and that this aid should be purely benevolent and not officious or by way of application of force. In fact, if my work for the last seven years has been worth anything, it has been in this direction, and I feel it my duty to do the little I can to see that the decision whether my favorite policy shall be followed or not is reached only after mature consideration.

At first sight the sentiments expressed in this passage seem to

145 Munro, op. cit., p. 205.

146 Dawson to Cummins, June 22, 1911, Decimal File 815.51/270A, Internal Affairs of Honduras, 1910-29, roll 35.
be contrary to some of the measures which Dawson actually recommended while Chief of the Division of Latin American Affairs. However, it is likely that to Dawson there was a clear distinction between using diplomatic pressure to force Nicaragua and Honduras to adopt a policy which the State Department believed would produce the beneficial results of sound finance and good government and forceably imposing this policy. In those instances where he had recommended the use of force, for example, the seizure of Nicaraguan custom-houses, the purpose was not to secure adoption of a loan agreement and treaty but rather to secure compensation for what was considered a just claim. Moreover, he saw a clear distinction between the methods of dollar diplomacy to be used in Central America and the Caribbean, an area which he considered to be a legitimate United States sphere of influence, and the methods to be used in the rest of Latin America.

Dawson's missions to both Nicaragua and Honduras were only momentarily successful. In both instances, he was able to bring the dissident factions to the point of agreement with one another. While this surely attests to his ability as a mediator, the ultimate objectives of his missions, stable government and financial reform with a customs receivership were either not realized at all or at least were not realized in the form envisioned. The arrangements which Dawson was able to secure were frustrated primarily because they depended on the continuing good will of those involved and because the
United States really had no effective way of enforcing them. This is not to say that either the Dawson Agreements or the settlement provided for by the Honduran peace conference were necessarily unrealistic. To the contrary, in regard to Nicaragua, the decisions to arrange for Estrada's continuance as provisional president and to arrange for the elections were based on what was considered to be the realistic assumption that to do otherwise would result in revolution. Likewise, in the case of Honduras the fact was accepted that Bonilla would ultimately be the victor. Consequently, Dawson pushed for a compromise favoring the Bonillasts. Lack of realism, however, was apparent in the belief that North American interference in the financial affairs would be readily accepted and implemented. Although this last point was not a fault solely of Dawson, it again illustrates his inability to understand, or his disregard for, a national sentiment among the Latin Americans.

Following the completion of his mission in Honduras, Dawson returned to Washington. However, he first stopped off in Guatemala City in order to ascertain whether or not Estrada Cabrera would accept the Honduran settlement and not lend his support to potential revolutionaries. While there, he and Estrada Cabrera discussed the possibility of a loan agreement

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Dawson to Secretary of State, April 30, 1911, Decimal File 815.00/1284, Internal Affairs of Honduras, 1910-29, roll 6.
to be made with an United States banking firm.\textsuperscript{148} He finally arrived in Washington in late March and began the preparation of his official report. At the same time he kept in close touch with developments in Honduras.\textsuperscript{149}

In May, 1911, the leaders of the Republican Party in Iowa made an effort to have Dawson promoted to the Embassy in Brazil. Ernest E. Hart, Chairman of the Republican State Committee of Iowa, wrote to President Taft requesting an interview to plead Dawson's case.\textsuperscript{150} In addition, Hart and Senator Cummins of Iowa both called upon Knox to urge the promotion.\textsuperscript{151} The entire, Iowa congressional delegation also supported the appointment.\textsuperscript{152} Charles Dawes too attempted to help Dawson, this time by asking Horace D. Taft, the President's brother and a classmate of Dawson and Dawes at the Cincinnati Law

\begin{footnotes}
\item[149] Dawson to Secretary of State, April 30, 1911, Decimal File 815.00/1284, Internal Affairs of Honduras, 1910-29, roll 6.
\item[150] Hart to Taft, May 11, 1911, Taft Papers, Presidential Series No. 2, File 1415.
\item[151] Assistant Secretary of State to Appointment Bureau, June 26, 1911, Dawson's Application and Recommendation File.
\item[152] E. H. Hubbard (Congressman from Iowa) to the President, December 2, 1911, \textit{ibid}.
\end{footnotes}
Despite this apparently impressive support, Dawson did not receive the promotion. Perhaps the most likely explanation of this is to be found in United States domestic politics. Although Dawson clearly supported the foreign policy pursued by the Taft Administration, and not withstanding the fact that his talents were apparently appreciated, as indicated by his appointment to Nicaragua and Honduras, his political support was based largely on men who did not have the favor of President Taft. Dawson's patrons included Senator Albert Cummins, a leading member of the group of Republican senators known as insurgents because of their opposition to Taft's domestic policies. By 1910, Cummins, with several other of the progressive and insurgent senators, was already on record as opposing Taft's renomination in 1912. To make matters worse for Dawson, the Taft Administration failed to receive the endorsement of the progressive controlled Iowa State Republican Convention.

153 Dawes to Horace D. Taft, May 16, 1911, telegram, Dawes Collection, 1906-1914 Name File, Dawson-Fai, Thomas A. [sic] Dawson File. Horace Taft refused to write to his brother. He argued that he did not remember Dawson, and furthermore, he had made it a practice never to write to his brother on behalf of any candidate for any position. Horace D. Taft to Dawes, May 17, 1911, ibid.

in 1910. In an attempt to defeat his congressional opponents, President Taft cut-off their patronage shortly before the 1910 primary elections. Following the mid-term elections, which were disastrous for the Republicans, an attempt was made by the President to bring about a reconciliation with the insurgents and progressives. The reconciliation, however, failed to materialize and the insurgents continued to exert little influence on Taft. Furthermore, as late as January, 1911, their patronage was still suffering. Therefore, while Dawson's ability was acknowledged and his talents utilized, it is possible that the post of Ambassador to Brazil, with a salary of $17,500, was reserved as a patronage position for a senator who enjoyed more favor in the eyes of the President than did Senator Cummins. Whatever the specific reason that his candidacy failed to receive a favorable hearing, Dawson himself apparently did not wish that it be pressed on the President by the Iowa congressional delegation.

156 Ibid., p. 37.
157 Ibid., p. 44, 46.
159 E. H. Hubbard to the President, December 2, 1911, Dawson's Application and Recommendation File.
The failure to receive Brazil did not mean that Dawson's career was at an end. In June, 1911, he was appointed Ambassador Extraordinary and Plenipotentiary on Special Mission to attend the Venezuelan Centennial celebration in Caracas. Upon his return to the United States in July, 1911, he again assumed the post of Resident Diplomatic Officer of the Department of State. In this position, he continued to devote his time primarily to Latin American affairs.

In late November, 1911, Irving Dudley the United States Ambassador to Brazil died. Dawson once again became an active candidate for this post in Rio de Janeiro. He appealed to his friend Dawes to cable the President and administration officials in his behalf. Numerous letters from businessmen with financial or commercial interest in Brazil were sent to the White House in support of Dawson's appointment. Again he


162 For examples, see Knox Papers, General Correspondence, Box 29, File 1912, and Correspondence vol. 16, 1911-1912, November 16-March 1. Also Department of State Decimal Files 033.1100K77 and 711.21 passim, National Archives, Washington, D. C.

163 Dawson to Dawes, December 5, 1911, telegram, Dawes Collection, 1906-1914, Name File, Dawson-Fai, Thomas A. [sic] Dawson File.

164 Dawson's Application and Recommendation File, passim.
failed to receive the Ambassadorship.

In March, 1912, while still serving as Resident Diplomatic Officer, Dawson became seriously ill. Shortly thereafter, he was moved to Fort Monroe, Virginia in the hope that the change of climate and scenery might prove beneficial. However, his health continued to decline and he was returned to his home at 1816 Nineteenth Street in Washington, where he died in the early morning of May 1. The obituary in The Washington Post attributed the cause of death to heart and liver trouble. In addition, the long periods he had spent in the tropics certainly must have served to weaken his health.165

Announcement of Dawson's death was followed by the usual eulogistic statements in his honor by those who had worked with him. Acting Secretary of State Huntington Wilson noted that by Dawson's death the diplomatic service had lost a man with "a distinguished record of long and efficient service. . . ." and that he would be greatly missed by his colleagues in the State Department and the Foreign Service.166 On May 2, the day of the funeral, the State Department closed at 2:30 in order that Dawson's associates could attend the services at the New York Avenue Presbyterian Church at 3:00.167

167 Purport Sheet for Department of State Decimal File 123.D321, sub. no. 119. This file is Dawson's personnel file and it was not available.
The honorary pallbearers at the funeral included the Brazilian and Japanese Ambassadors, Secretary of the Interior Walter Fisher, who had known Dawson at Hanover College, Assistant Secretary of State Huntington Wilson, John Barrett the Director General of the Pan-American Union, Senator Cummins and Representative James Good of Iowa. 168

When word of his death reached the offices of the Pan-American Union, Director General Barrett had ordered the flag over the building lowered to half-mast. This tribute was described by the Bulletin of the Pan-American Union "not as a perfunctory compliment, but as a real expression of the great loss which Pan-American relations had suffered by his demise." Furthermore, the article noted that Dawson could probably be considered one of the best authorities "on the Latin American countries and their relations with the United States." The experience which he had acquired while serving in Latin America and in the Department of State were useful to him "in promoting friendship, good understanding and commerce among all the American nations." Finally the Bulletin asserted that, "in addition to the remarkable ability and reputation he enjoyed, he had a personal charm and an affability which made him loved by all who knew him well." 169

Perhaps the importance of Dawson's career and the un-


169 Bulletin of the Pan-American Union, XXXIV (June, 1912), 720-721.
timeliness of his death were best summed up by Charles G. Dawes, his longtime friend and patron. In a letter to James C. Hume, Dawson's cousin, Dawes wrote:

It is hard to become reconciled to the thought of Tom's death at a point in his career when it was commencing to receive that general appreciation which in time would have crystalized into enduring fame. The public service which he performed, fortunately for his memory, are of such a nature that their importance to the people involved will be cumulative. In the histories of some governments Tom's name will have its fixed place as it would have had in this country to a greater degree had he lived. 170

Dawson's entry into the diplomatic service in 1897 came, like the majority of similar appointments, as a result of political patronage. Initially, he may have considered his appointment as Secretary of the Legation in Brazil as merely a stepping stone to further political preferment. The six years in Brazil served as an adequate apprenticeship, and, as time passed, he began to look upon the diplomatic service as his chosen career. Following the Brazilian assignment, the posts that he held progressively grew in importance. Finally, he reached the point where he was among the chief advisers on Latin American affairs in the State Department.

There is no indication that Dawson in any significant way disagreed with the policies which Washington pursued during the fourteen years he was in the diplomatic service. He accepted unquestioningly the concepts that Latin America should serve as a market for the expanding United States industrial economy and that claims of United States citizens against Latin American governments should be pushed by the State Department to a successful conclusion. Furthermore, he fully approved of the interference of the United States in the turbulent political and economic affairs of the Caribbean and Central American
nations. In view of his acceptance of the prevailing policies within the State Department, his influence on these policies was confined to advising on certain specific aspects concerning implementation, rather than in urging any complete change of policy. This does not mean that he had no impact on United States-Latin American relations. To the contrary, he had a considerable impact in Central America and the Caribbean by skillfully negotiating the agreements which implemented the policy of dollar diplomacy formulated in Washington. Perhaps his most significant contribution occurred during his assignment to the Dominican Republic. The customs receivership, which he helped to establish, later served as a model when the State Department recommended intervention to bring about financial reforms in Central America. As Chief of the Latin American Division and Resident Diplomatic Officer, he had further opportunity to work for the implementation of this policy.

Dawson appears to have had a genuine liking and sympathy for the Latin Americans. In dealing with the revolutionary governments of Santo Domingo, Honduras, and Nicaragua, at times he could become exasperated with their factionalism and apparent unreasonableness. Nevertheless, he never seems to have treated the members of these governments with an arrogance which would convey a feeling of political or racial superiority. Undoubtedly, his ability to understand these men and to treat them with respect helped him to win their
confidence, and, thus, enabled him to achieve success, albeit only temporary, in mediation. His sympathy towards the Latin Americans is further evidenced in his two volume history of South America, where he foresaw an optimistic future for the countries of that continent.

Dawson's acceptance of the policies of the State Department and his role in implementing them and his favorable disposition towards the Latin Americans, at first sight, appears to form something of a paradox. It is highly unlikely that this problem ever presented itself to him; however, if it had, it would probably have seemed more apparent than real. In the first place, to find new markets for North American products and capital was considered a completely legitimate goal of diplomacy. The United States was merely seeking what would have been considered an equitable share—that is, an equity based on the closeness and special interest in Latin America—of the market already dominated by European manufacturers and investors. The protection of the legitimate commercial enterprises and financial investments of United States citizens was also considered a perfectly legitimate objective of United States diplomacy. Taking a rigidly legalistic view of the property rights of United States citizens in foreign countries, the officials in Washington were determined that strict justice was to be rendered. Once the foreign government involved accepted this principle, the State Department was normally willing to make the resolution
of the controversy as painless as possible. There appears to have been little worry that the protection of one claim might injure more important policy considerations. During Dawson's career, there are two illustrations of this point. The first occurred with regard to the San Domingo Improvement Company. Dawson assiduously defended the Company's rights under the Award of July 14, 1904 until it became overwhelmingly clear that fear and dislike of the Company was hindering the furtherance of Washington's policy in Santo Domingo. The second example is that of the Alsop claim against the Government of Chile. The anti-Yankee sentiment which this case generated and the effects it could have on Chilean-United States relations or upon other North American investments in Chile were disregarded. Dawson could perhaps justify the course his Government had taken in that a lingering source of controversy between Washington and Santiago had, at long last, been removed. However, he simply overlooked the fact that the residual effect of bad feelings could remain.

Interference in the affairs of the Central American and Caribbean nations also was not incompatible with Dawson's friendly disposition towards the Latin Americans. In the first place, he accepted the argument that the Caribbean and Central America were a special sphere of United States influence. Secondly, as indicated in his history of the South American nations and in various reports he sent to Washington, he believed that political stability was contingent upon eco-
onomic stability and prosperity. Therefore, he could logically conclude that it was the United States' place to offer a helping hand. Finally, certain benefits did seem to flow from United States interference. In the Dominican Republic, at least, endemic revolution ceased, the international financial morass was untangled, and an economic revival appeared to be under way. Hence, he had some altruistic and optimistic arguments to bolster an interventionist policy.

Dawson's most glaring deficiency was his inability to recognize and understand the depth and sincerity of those who opposed United States interference in the affairs of the various countries. In the Dominican Republic opposition was dismissed as coming from professional revolutionaries or from the easily aroused lower classes. In Colombia, the anti-Yankee sentiment still lingering from the Panamanian revolution of 1903, was not even taken into account when Dawson discussed the possibility of ratification of the United States-Colombian-Panamanian treaties in 1909. Later, in helping to shape the United States' policy in Nicaragua and Honduras, Dawson again rejected the sincerity of the opposition and chose to assume that once the provisional governments of these countries had officially accepted United States interference in their economic affairs, they would readily implement this interference. Where the United States offered "moral support," as in the case of the Dominican Republic, indifference to the opposition made no difference. However, in Colombia where there was no way of
supporting the government favorable to the United States policy, or in Nicaragua and Honduras, where no effective pressures could be brought to bear upon the governments which had supposedly accepted the United States' viewpoint, the policy itself failed.

In view of the partisan nature of the newspaper reports, it is difficult to arrive at any adequate conclusions regarding Latin American sentiment towards Dawson and his work. From the available evidence, Dawson always remained on the most cordial personal and official terms with the Government to which he was accredited. Socially, he and his wife were apparently readily accepted into the polite society of the various capitals. Since frequently the policies he supported were also accepted in the capitals where he was assigned, it is not surprising that he and his work would receive governmental approval. However, if he failed to understand those who opposed his policies, the opposition obtained its revenge by attacking Dawson as the symbol of policies they opposed and as being too closely connected with the governments they were trying to displace.

Although it is futile to speculate, one still wonders whether Dawson might not have attained higher honors had he lived. His friend Charles Dawes seems to have implied this in the quote which concludes the last chapter. Indeed, Dawson's prominence in Latin American affairs would seem to have pointed in that direction. Nevertheless, any immediate advance-
ment would have been at best probably only temporary. Even if he had obtained an ambassadorship under the Taft Administration, his career would probably have gone into eclipse with the advent of the new Democratic administration in 1913.
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APPROVAL SHEET

This dissertation submitted by Glenn J. Kist has been read and approved by members of the Department of History.

The final copies have been examined by the director of the dissertation and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the dissertation is now given final approval with reference to content and form.

The dissertation is therefore accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

May 24, 1971

Date

Signature of Advisor