

CUBA

POLITICAL AFFAIRS. ELECTION DISPUTES. ATTITUDE OF THE UNITED STATES. PLOT AGAINST THE LIFE OF PRESIDENT MENOCA. REVOLUTIONARY OUTBREAKS IN SEVERAL PROVINCES. ATTITUDE OF THE UNITED STATES TOWARDS INSURRECTION. REELECTION AND INAUGURATION OF PRESIDENT MENOCA

File No. 837.00/1056

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, January 22, 1917, noon.

Urgent and confidential. Political situation critical and dangerous. Seven weeks ago when the liberals believing that Supreme Court with conservative tendencies would decide against them I did what I could to get the leaders to discountenance revolt and determine to accept judgment of the courts. Supreme Court has now decided against the conservative protests. At that time President Menocal declared to me repeatedly that the courts were the only proper arbitrators, and he was determined rigorously to suppress opposition to their findings and that "there shall not be another revolution in Cuba". The decision of the court as to Santa Clara Province assures a national liberal victory unless a liberal majority of the 1,164 already established in that province can be overcome in the partial elections to be held about February 12 in only six precincts whose maximum honest vote could not exceed 1,500 with party strength of neither side preponderant.

I find the President bitter against the Supreme Court and having mental attitude that as a natural consequence Supreme Court in throwing out conservative contests practically indorsed frauds by the liberals, his party cannot be restrained from exerting every effort and using the vote in these six precincts to overcome the established majority. This means employment of force, killing of liberal managers at the polls and declaration of palpably fictitious result. This would cause, in my opinion, revolution of much more bitterness and more difficult of solution than that of 1906. Destruction of cane plantations would be extensive. Personally sympathizing with President Menocal's reelection, his success by such methods, even without a revolution, would be an enduring calamity to Cuba. I do not believe majority of the cabinet or the party leaders advocate extreme measures to win election. Shall keep in close touch and hope for change in attitude of President but would like Department's judgment.

GONZALES

File No. 837.00/1056

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
 Washington, January 26, 1917, 4 p. m.

Your January 22, noon. Department has given careful consideration to statements made in your cablegram and agrees with you that employment of force by either party at this time would cause far more serious and difficult situation than has hitherto arisen in the Republic of Cuba.

Your action in conferring informally with President at this time is approved. Should occasion arise and you consider it necessary, you may intimate to the President that this Government has been viewing with a great deal of friendly interest the present political situation in Cuba and has felt gratified that the differences of opinion were being settled according to the manner prescribed by law; that any action which would cause disturbance in Cuba and upsetting of the extremely good economic conditions would be decidedly regrettable inasmuch as the eyes of all American nations are turned upon Cuba at this time in consequence of the great strides which the Republic has made in political and commercial advancement.

LANSING

File No. 837.00/1059

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
 Habana, February 1, 1917, midnight.

After a long talk with President yesterday in which I fully presented Department's views and hopes, as expressed in the Department's January 26, 4 p. m., spoke of the general apprehension of public disorder at elections and regretted that nothing had been said publicly by one in authority to reassure the people, he assured me the Government's measures were being taken only to enforce order and insure safety to votes of both parties. Elections he declared would be held according to law and the liberals were agitating the country with contrary reports. As a probable result of this interview General Nunez, Vice Presidential candidate, has published long, full statement assuring public there need be no apprehension of lawlessness or misuse Government's powers. This has had a good effect. Liberal party council is tonight considering asking the United States to supervise elections on the fourteenth.

GONZALES

File No. 837.00/1059

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
 Washington February 10, 1917, 7 p.m.

Department's January 26, 4 p. m. Your February 1, midnight. You are instructed to hand the following statement to President Menocal and say that you have been directed to request that he make it public;

The Government of the United States, in view of its relations with the Republic of Cuba, and on account of the duties which are imposed upon it by the agreement between the two countries, is regarding with no small concern the question of the new elections in Santa Clara Province, which it is understood is an effort to carry out the laws providing the machinery for settling election disputes, and upon which laws the constitutional government must depend. In this case it is understood that the law provides that election disputes be settled by a central committee with an appeal to the Supreme Court of Cuba and ultimately should the dispute remain unsettled, by a reelection to be held in the districts in dispute.

The Government of the United States is confident that both parties are endeavoring to do their utmost to settle their difficulties through the agencies provided by law and without having recourse to methods which would cause a disturbance throughout the Republic and it would view with gratification the invoking of the constituted judicial methods by the people of Cuba, particularly at the present time when the great portion of the world is embroiled in armed conflict. Such a settlement of their disputes would undoubtedly stand as a fine example before the world as a case where misunderstandings were being adjusted by law instead of by arms.

The Government of the United States as a friend of the Republic of Cuba, desires to point out that election controversies have not been unknown within its territory, in which party feeling ran at the highest pitch and wishes to recall to mind that these disputes have always been settled by legal and peaceful means. The most notable case which has occurred in the United States was the Hayes-Tilden controversy in which the legally established elective machinery finally decided in favor of the candidate who had the minority of the popular vote. This controversy clearly proved that patriotism was elevated by a resort to law rather than by faith in arms.

The Government of the United States better than any other nation knows the patriotism of the Cuban people and mindful of the patriotic deeds done by the Cuban heroes in their struggles for liberty, is confident that the same patriotic spirit will prevail in the settlement of the present electoral difficulty and that it will be shown by implicit faith in the legal means which have been established for the settlement of such questions.

In view of the interest which this Government feels for the future of Cuba as a nation highly advanced in patriotism and social development, it is anxious that all the parties should know that their course is being followed by the United States with the closest observance and in the confident expectation that the means provided for by the Cuban Constitution and the laws enacted for this very purpose will bring as a logical result a satisfactory and peaceable settlement of the present difficulties.

You are instructed to inform President Menocal that this Government is confident that he will use every means in his power to prevent any disturbance of the present peaceful conditions in Cuba. That this Government is observing with the closest scrutiny every act of each of the parties which might indicate intimidating action by armed forces or illegal pressure exerted by the military or the police at the time of elections.

LANSING

File No. 837.00/1062

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, February 10, 1917, 10 p. m.

Urgent. As result of alleged plot against the life of the President three lieutenants of artillery attached to palace guards were arrested this morning and imprisoned and four lieutenants of infantry suspected of complicity were sent aboard a Cuban gunboat. Both Zayas and former President Gomez are absent in Santa Clara Province where partial elections will be held next Wednesday.

So far as it is possible to judge from opinions of business people with interests throughout the country and from general public apprehension, conditions could not be more critical. The President holds there will be no revolution. He asserts that the disposition of armed forces in Santa Clara and other elaborate precautions taken are solely for the purpose of maintaining order; the opposition and many of the President's own party contend they are intended to terrorize people and prevent their appearance at the polls. In the circumstances this view is reasonable but it is impossible to establish its accuracy. My opinion is that if force is actually used by conservative party it will be through more or less organized civilians. Some newspapers on both sides are inflammatory and unscrupulous in allegations.

If the conservatives carry the elections and the generally apprehended revolution takes place it would have early manifestation in wholesale burning of cane which is now extraordinarily inflammable. The Government would immediately attempt to arrest liberal leaders and I would regard the lives of Gomez and Ferrara in peril, even if they were not publicly participating in revolt.

The situation is unquestionably grave. Does Department consider it advisable that I ask the President if he objects to my sending military attaché to Santa Clara to observe elections? One drawback is that his presence might be construed to give endorsement to result, but it might avert bloodshed at one or two points.

GONZALES

File No. 837.00/1064

AMERICAN LEGATION,
Habana, February 11, 1917, 11 p. m.

Your February 10, 7 p. m. At three o'clock this afternoon I delivered to the President a memorandum covering your instructions. At eight o'clock to-night he sent me a personal note accompanied by official reply from Secretary of State Desvernine. The Secretary says the Foreign Office neither exercised nor thought of exercising any power except to make disposition required by vigilance and nothing contrary to law and justice. It will permit no one to disturb order or, with fraudulent proceedings or violence, to change the legal process by which elections are regulated. Illegality will be handled by the courts, as the criminal courts are now investigating the plot against the President's life.

In respect to the publication of the Department's message, the Secretary of State says the President does not think he should take the initiative in its publication but is quite willing that I should do so.

In his personal note to me President Menocal expresses fear that biased reports have reached the Department. He says his past history and life, he thinks, entitle him to the American Government's confidence, and that he would never consent to a subversion of the reign of justice by violation of the fundamental laws of the Republic.

This afternoon the President spoke feelingly of his patience in bearing past abuse and assaults of agitators which had lately culminated in attempt on his life. He asserted that the only leaders in

the present agitation against him were those who inaugurated the revolution in 1906; that the future peace and happiness of Cuba depended upon the suppression of revolutions engineered by selfish bad men. He had the situation well in hand, he declared, and was determined only to enforce the law and crush lawlessness.

There was a miniature uprising at one point in Habana Province and one point in Santa Clara today. One man was killed. A few men took to the woods and are being pursued by rural guards. About forty soldiers, expecting, it is alleged, to take part in a general uprising against the Government to-day escaped from Camp Columbia last night. Two were wounded and two of the guard were wounded. They are being hunted in the country. Numbers of civilian suspects have been arrested by the secret police. The action of soldiers is evidence of attempts to corrupt army, as alleged by the President, and developments outside past two days indicate some organization by liberals to revolt. It is an interesting coincidence that every important liberal leader is absent from Habana today. There is a feeling that these violent manifestations before election are harmful to liberal cause.

I understand warrants have been issued for a number of liberals said to be implicated in plans for revolution and attempt on the life of the President.

The President seems absolutely calm and confident of quickly suppressing any possible outbreaks. He asks for an understanding of his obligations and motives and patience.

GONZALES

File No. 837.00/1064

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, February 12, 1917, 5 p. m.

Your February 10, 10 p. m. and February 11, 11 p. m. Department has made public this afternoon statement transmitted in its February 10, 7 p. m. You are authorized to give it to Cuban press. If President Menocal and Zayas have no objections you are authorized to send military attaché to Santa Clara to observe elections but to give no counsel and take no active part in supervision.

LANSING

File No. 837.00/1068

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, February 12, 1917, 11 p. m.

There exists organized revolution against the Government in two, probably three, provinces. There has been no communication today with Camaguey, all lines cut and wireless not working. The assumption is that two battalions of troops there have joined insurrectionists and the capital of province occupied by them. Tonight Consul Griffith telegraphs that a major, supposed to be

favoring liberal party's cause, took over command of troops in Santiago and placed colonel of regiment and governor of province in prison.

In numbers of towns in Santa Clara Province where the partial elections were set for Wednesday the mayors and part of police with some rural guards and numbers of civilians variously estimated at five hundred to one thousand have gone to the woods. In the most important encounter in Santa Clara the insurgent mayor and chief of police of one town were killed by troops. Tonight perfect quiet is reported in Habana, Pinar del Rio and Matanzas Provinces.

It is believed in Government circles that former President Gomez who left Habana a week ago in his yacht landed today in Camaguey Province. If he leads the revolution it will become most serious.

Menocal is evidently deeply disappointed at disloyalty of portion of troops. He attributes it to the fact that he retained officers in the army as it was organized by his predecessor Gomez.

This afternoon the newspaper *Heraldo de Cuba* edited and owned by Ferrara, Speaker of the House, was suppressed on charge of persistence in seditious publications.

The plan for army disaffections and that against life of the President are considered by officials as perfectly connected. No statement has been made by Government but President is preparing proclamation tonight.

None here understand policy of liberals in beginning revolution before the elections. The contention is they were not to be permitted to vote. Had this been sustained by events they still had the courts that had already decided in their favor and then revolution as a last resort. As the case stands the revolution is based on the allegation of proposed frauds or force.

Latest accounts are that Government is sending gunboat to retake Santiago. Most of the soldiers were absent in country districts when *coup* was effected.

Cuban Government is naturally desirous of having expression of moral support from the Government of the United States. British and American interests are already expressing belief that visit of a few war vessels to Cuban ports would have calming effect. Military attaché requests that facts given above be furnished the Chief of Staff.

GONZALES

File No. 837.00/1073

Consul General Rodgers to the Secretary of State

[Telegram]

AMERICAN CONSULATE GENERAL,
Habana, February 13, 1917, 4 p. m.

It is reported from reliable sources that Province Camaguey in hands revolutionary party with former President Gomez in command of forces and supported by four thousand men. Further that provisional government has been declared with Enrique Recio, Representative, at head. It is reported also that Oriente Province and Santiago de Cuba in hands revolutionary party and that tranquillity prevails there, armed forces having deserted Government. Also that

liability of revolt in army at Habana may occur tonight. All this unofficial but from apparently reliable sources and communicated to Department under that understanding. No doubt but that outlook for Government very serious under present conditions and general opinion seems to be that great trouble will result.

Reports as to occurrences in Camaguey and Oriente are now reaching sugar mill and steamship offices in Habana and all confirm news herein. So far as reported absolutely no antagonism to Americans or interests as yet.

RODGERS

File No. 837.00/1068

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, February 13, 1917, 5 p. m.

Your February 12, 11 p. m. You will issue the following statement as coming from the Government of the United States:

The Government of the United States has received with the greatest apprehension the reports which have come to it to the effect that there exists organized revolt against the Government of Cuba in several provinces and that several towns have been seized by insurrectionists.

Reports such as these of insurrection against the constituted Government cannot be considered except as of the most serious nature since the Government of the United States has given its confidence and support only to Governments established through legal and constitutional methods.

During the past four years the Government of the United States has clearly and definitely set forth its position in regard to the recognition of governments which have come into power through revolution and other illegal methods and at this time desires to emphasize its position in regard to the present situation in Cuba. Its friendship for the Cuban people, which has been shown on repeated occasions, and the duties which are incumbent upon it on account of the agreement between the two countries force the Government of the United States to make clear its future policy at this time.

Repeat same to American consuls and agents at Cienfuegos, Sagua la Grande, Cardenas and Matanzas. Report to Santiago de Cuba requesting the consul to make the foregoing public in Camaguey.

LANSING

File No. 837.00/1068

DEPARTMENT OF STATE,
Washington, February 13, 1917, 6 p. m.

Your February 12, 11 p. m. In view of present situation Department believes it desirable for you to exert all your efforts to induce President Menocal and leaders of the liberal party to postpone elections in Santa Clara Province until such a time as present disturbances are at an end and quiet throughout the Republic reestablished.

LANSING

File No. 837.00/1075

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, February 13, 1917, 11 p. m.

No material change since earlier report. Cruiser Cuba left here tonight with three or four hundred men for Santiago.

Government appears to have situation at Santa Clara well in hand. Tonight President Menocal showed me telegram from General Nunez in city of Santa Clara saying there is order about the places where voting will take place tomorrow and that liberals will participate in elections.

President asserted people in the country were not [apparent omission] the petty insurgent chiefs and that he was receiving thousands of telegrams from volunteers.

Whereabouts of Gomez not definitely determined but he is believed to be in Camaguey by the President, who says that he will begin vigorous move against him the day after elections.

There was more optimism shown at the palace tonight.

"This means life or death for Cuba; I hope it is [apparent omission]," said the President.

As I need him and he could attend only one polling place in Santa Clara am keeping military attaché here.

GONZALES

File No. 837.00/1076

AMERICAN LEGATION,
Habana, February 14, 1917, 1 p. m.

Your February 13, 5 p. m., was deciphered three o'clock this morning. Nine hours earlier I had sounded President on the possibility of postponing elections, and saw him again as early as possible this morning, getting more positive statement. He declared that the Junta Central constitutes sole legal authority outside of Congress for such postponement, and that body yesterday voted against action. The Junta Central is supreme electoral power independent of Executive, composed of president of the Supreme Court, a member of college of law, University of Habana, ranking member of Provincial Court of Habana and one representative of each party. Only the representative of liberal party voted in favor of suspension.

Early report from election mentions no disorder.

GONZALES

Files No. 837.00/1080

AMERICAN LEGATION,
Habana, February 14, 1917, 5 p. m.

Situation at noon today. Baldomero Acosta and Pino Guerra, with eighty men including fifteen soldiers, deserters from Camp Columbia, passed into Pinar del Rio Province from Habana, pursued by soldiers. They made a stand against small detachment soldiers but fled when reinforcements arrived. Three insurgents, including sergeant of deserters, eight horses killed, [apparent omission] two Government soldiers. Government completely controls Santa Clara Province west of Jatibonico River. José Miguel Gomez with main body insurgents whose strength described by the Government as only several hundred is near Ciego del Avila in Camaguey. Sugar mills of Cuba Central, British company, at Jatibonico stopped grinding yesterday on order of Gomez. Since then eight hundred Government troops have arrived in the neighborhood. Seven hundred Government

troops from Cabanas fortress will land from cruiser *Cuba* at Jucaro tomorrow to cooperate with the forces mentioned as near Jatibonico.

GONZALES

File No. 837.00/1081

AMERICAN LEGATION,
Habana, February 14, 1917, 7 p. m.

Fernandez, signing himself military commander of district, cables me from Santiago he has overcome Government authorities and assumed provincial command, that military necessity requires mining of harbor mouth and all American ships wishing to enter must ask for pilot, that he wishes to avoid bloodshed but will defend himself energetically.

In second cable Fernandez says he hears Menocal intends executing officials of the army and others charged with treason, that if this is true he will retaliate on military and civilian officials he holds [in] prison.

Those army officers arrested by Government have not yet been tried.

GONZALES

File No. 837.00/1083

AMERICAN LEGATION,
Habana, February, 14, 1917, 11 p. m.

Publication of statement giving position of United States regarding revolutions has had most clarifying effect upon public mind and the Government officials deeply grateful.

GONZALES

File No. 837.00/1082

AMERICAN LEGATION,
Habana, February, 14, 1917, midnight.

According to Government advices elections were held in Santa Clara to-day without further friction. In over two thousand votes Menocal received ten to one. The President's explanation is that liberals would not vote for Zayas. I understand several American newspaper correspondents were present.

No change in the situation since noon report except that Manuel Gonzales, mayor of Santo Domingo, Santa Clara Province, a large cane grower, has surrendered on promise of safe conduct to Habana.

Much depends on whether the people in country who have not responded to local insurgent leaders will rally around Gomez. That will be demonstrated by the end of week.

GONZALES

File No. 837.00/1091

AMERICAN LEGATION,
Habana, February 15, 1917, noon.

Military conditions unchanged. Government troops to-day were in touch with forces under Gomez near line between Santa Clara and Camaguey Provinces but are awaiting arrival of regiment sent by sea from Habana before attacking.

Petrel of naval station is at Santiago. Consul there again reports conditions growing worse but no details.

GONZALES

File No. 837.00/1087

AMERICAN LEGATION,
Habana, February 15, 1917, 4 p. m.

American Consul Santiago reports: "War vessel just arrived, conditions much worse." Have asked for prompt report of explanatory facts.

GONZALES

File No. 837.00/1090

AMERICAN LEGATION,
Habana, February 15, 1917, 5 p. m.

Department should understand contingencies. General and widespread doubt exists of army's loyalty and the demonstrated disaffection in Santiago and Camaguey is not reassuring. Gomez organized this army when he was President and number of its officers took part in liberal revolt of 1906. Zayas told me 75 per cent of the army would come to him when called.

The test and crisis will come when the President's forces are brought against Gomez in Camaguey Province. In Gomez forces are several hundred deserters from the army. If Gomez should gain advantage through failure of Government's forces to fight loyally, I believe there would undoubtedly be uprising of liberals in Habana of sufficient strength to place President and Governor in peril. The rural guard force appears loyal but it is scattered throughout country.

At this time the published result of yesterday's election has not affected the situation.

Grinding in number of sugar mills stopped by order of Gomez but no cane destroyed. His object is to recruit men thrown out of employment.

The President's nearest friends, even some Cabinet members are not confident and I know many of them would be glad of almost any compromise. All of them doubt the army and are apprehensive of result of uprising here. There is no sign of uneasiness among Americans. On the other hand if army stands test of fight against Gomez forces there would be strong tide turning to President.

GONZALES

File No. 837.00/1093

The Minister for Foreign Affairs to the Cuban Minister

[Telegram left at Department by the Cuban Minister February 15, 1917]

HABANA, *February 14, 1917.*

The statements issued by the Minister of the United States here to the press, with which you are surely acquainted, have produced the most favorable impression in all law-abiding citizens, because of the emphatic declarations made in the name of the United States Government with regard to its policy of upholding only legally constituted governments and never those that may be formed through

revolutions. This declaration will have the most beneficent effect and the President instructs me expressly to direct you to assure the Government of the United States that, with the moral support of that Government, he is firmly convinced of his ability to reestablish order and to give a decisive example for the future with regard to seditious citizens and especially as to the military who may violate their sacred duties of discipline and fidelity. With reference to the military uprising in Santiago, to which your cablegram referred, I inform you that it has not extended and that the President is sure of dominating that or any other civil or military uprisings with the resources in his power and the reinforcements which have already been sent to those places.

DESVERNINE

File No. 837.00/1096

The Secretary of the Navy to the Secretary of State

NAVY DEPARTMENT,
Washington, February 15, 1917.

SIR: I have the honor to acknowledge the receipt of your letter of February 14, 1917,¹ in which you inquire whether it would be possible for this Department to order two United States men-of-war to proceed immediately to Habana and Santiago de Cuba, respectively.

The Commander in Chief of the Atlantic Fleet has been informed that Fernandez, a revolutionary leader in control at Santiago, has informed the American Minister at Habana that military necessity has required the mining of Santiago harbor, and that any American vessels wishing to enter that port must obtain the services of a pilot. The Commander in Chief has further been informed that the Department of State desires that United States men-of-war be sent immediately to Habana and to Santiago de Cuba, and has been instructed to comply with this request.

JOSEPHUS DANIELS

File No 837.00/1095

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, February 16, 1917, 11 a. m.

The President published proclamation this morning guaranteeing security for all pacific citizens whatever their ideas, antecedents and political affiliations so long as they respect the laws. It is a brief appeal intended to bring from hiding, timid persons who do not wish to revolt.

GONZALES

¹Not printed.

File No. 837.00/1087

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
 Washington, February 16, 1917, 3 p. m.

Navy Department informs Department that U. S. S. *Machias* will replace U. S. S. *Petrel* at Santiago and that U. S. S. *Dixie* will sail for Habana some time today. These vessels will report upon conditions and be present in case of emergency.

LANSING

File No. 837.00/1101

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
 Habana, February 16, 1917, 11 p. m.

No disturbances in Habana, Pinar del Rio and Matanzas Provinces. Santa Clara continues dominated Government troops and five hundred cavalry passed from that province into Camaguey to-day. Fight with Gomez forces expected to-morrow. Government has thousand armed men at Chaparra and advices from there agree with report from Consul at Santiago that Government troops control in number of towns Santiago Province. Consul says situation Santiago City very critical and threatening. Two Cuban merchant vessels there seized by insurgents and reported armed.

GONZALES

File No. 837.00/1101

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
 Washington, February 17, 1917, 6 p. m.

Your February 16, 11 p. m. Navy Department received this morning radio from commander of *Petrel* at Santiago stating that revolutionists have placed two ships with explosives to block harbor by sinking in case of approach of Federal war vessels. Leader revolutionary forces stated he would sink these vessels unless United States forces guaranteed no Federal ship would enter.

As it is essential for protection of foreign interests that channel should be kept clear Navy has sent radio to commander in chief of fleet to send necessary ships to aid *Petrel* and to instruct commander of *Petrel* to warn Federal ships not to enter under existing conditions and to prevent their entry.

You are directed to inform Cuban Government of the above and state wishes of this Government that Federal ships shall not attempt to enter at this time.

LANSING

File No. 837.00/1103

Consul Griffith to the Secretary of State

[Telegram]

AMERICAN CONSULATE,

Santiago [undated; received February 17, 1917, 6.40 p. m.].

Petrel at mouth harbor. Revolutionists to prevent entrance Cuban gun boats attempted four the morning of 16th to seal harbor entrance by sinking two merchant vessels. Commander *Petrel* prevented the same and commander in chief instructs him must not permit blockade of this harbor. Revolutionists have plenty of ammunition but guaranteed this office and commander *Petrel* protection life and property Santiago both native and foreign. The people excited, business paralyzed, national bank closed, others contemplating the same, various protests entered by Americans. Minister has been advised.

GRIFFITH

File No. 837.00/1103

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Habana, February 17, 1917, midnight.

Government reports sharp encounter today near Sancti Spiritus, Santa Clara Province, in which machine guns were employed against insurgents who fled after heavy losses.

No advices from Camaguey except that 50 deserters from army returned in a body.

Consul at Santiago cables commander of American gunboat *Petrel* frustrated insurgents in purpose to sink two Cuban merchant vessels in harbor mouth.

Americans report that Gomez has issued orders all cane grinding must cease in Camaguey after to-morrow; also issued a circular calling patriots to his side. His people are confiscating arms of all kinds from houses and persons.

GONZALES

File No. 837.00/1114b

The Secretary of State to the Secretary of the Navy

DEPARTMENT OF STATE,

Washington, February 17, 1917.

SIR: I have the honor to enclose herewith a copy of a statement² which was transmitted to the American Minister at Habana, by this Department, with instructions to make it public and to send it by telegraph to the American Consul at Santiago.

The Minister has reported that the revolutionary commander at Santiago has withheld this message from the Consul, who was instructed to make public its contents. It is therefore requested that this be

² See Department's telegram to the American Minister at Habana, February 13, 1917, 5 p. m., p. 356.

sent via wireless to the commander of the United States war vessel which is now at Santiago, with instructions to deliver it to the Consul in order that he may inform the leader of the revolution of the contents thereof and have it become generally known throughout Santiago and the Province of Oriente.

I have [etc.]

ROBERT LANSING

File No. 837.00/1106a

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, February 18, 1917, 7 p. m.

You will hand Government of Cuba copy of following statement and say that you are authorized to make it public. You are instructed to transmit to Consuls and Consular Agents of United States in Cuba with directions to give it publicity:

It is hardly necessary to state that the events of the past week in connection with the revolt against the Government of Cuba have been viewed with the closest scrutiny by the Government of the United States, which Government having set forth its attitude in previous statements, in regard to the confidence and support which it gives to constitutional governments and the policy which it has assumed towards the disturbance of peace through revolutionary methods, wishes again to inform the Cuban people as to its present position.

1. The Government of the United States supports and sustains the Constitutional Government of the Republic of Cuba.
2. The armed revolt against the Constitutional Government of Cuba is considered by the Government of the United States as a lawless and unconstitutional act and will not be countenanced.
3. The leaders of the revolt will be held responsible for injury to foreign nationals and for destruction of foreign property.
4. The Government of the United States will give careful consideration to its future attitude towards those persons connected with and concerned in the present disturbance of peace in the Republic of Cuba.

LANSING

File No. 837.00/1106b

DEPARTMENT OF STATE,
Washington, February 18, 1917, 8 p. m.

Commander U. S. S. *Petrel* informed Navy Department that revolutionists are prepared to set fire to Santiago and to dynamite public property should they be compelled to retire from city in event of bombardment and landing of troops by Cuban Government. You are instructed to so inform Government of Cuba.

LANSING

File No. 837.00/1105

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,

Habana, February 18, 1917, 11 p. m.

Delivered information and message to President. Said he had ordered two gunboats to Santiago. They would not attempt to enter. Purpose was to prevent escape by sea of deserting soldiers when they were attacked from land side. Expects to move against Santiago within two days. President believes Gomez may attempt to leave country through that port.

GONZALES

File No. 837.00/1109

AMERICAN LEGATION,

Habana, February 19, 1917, 5 p. m.

Consul at Santiago reports banks closed for period of eight days on order insurgents. U. S. S. *San Francisco* has arrived there and commander in close relations with Consul. First expression attitude of United States regarding revolutions has been published there. Conditions unchanged.

Such threats by insurgents as announced in [Department's] February 18, 8 p. m. are characteristic and deserves little consideration.

GONZALES

File No. 837.00/1112

AMERICAN LEGATION,

Habana, February 19, 1917, midnight.

Your February 18, 7 p. m. Publication of statement has produced marked impression. Cuban Secretary of State and the President have made feeling response. From my viewpoint and understanding of conditions here the message leaves nothing to be desired in form, spirit or principle.

GONZALES

File No. 837.00/1116

AMERICAN LEGATION,

Habana, February 20, 1917, 11 p. m.

I sent your February 18, 7 p. m., in cipher to Consul at Santiago and open through Santiago to Consular Agents Guantanamo and Antilla. Open messages stopped by insurgent censor Santiago cable office. Endeavoring to convey purport of message to Consuls by wireless.

Insurgent leader Santiago probably told tenor of message by censor, for last night he cabled me lengthy statement of conciliatory nature. While claiming great military strength and daily conquest of new towns in Oriente Province, he asserts life and property are being protected and charges Government forces with destruction railway bridges. Last week he cabled me threat to execute prisoners if the President shot any soldiers. I warned him against barbarism and in cable he says:

"I shall ingenuously confess to you that my threat of reprisals was a simulated act of barbarism."

GONZALES

File No. 837.00/1115

Consul Griffith to the Secretary of State

[Telegrams]

AMERICAN CONSULATE,
Santiago, February 20, 1917.

Conditions growing worse. Many American refugees from interior. Several mills closed. Many protests and complaints among Bethlehem Steel, Cobre Copper, and Jobabo, Mirande, Palmarita, Palma, Soriano Mills. No communication; several bridges burned; food scarce; people excited; banks closed. Existing conditions prolonged endanger life and property. The *San Francisco* still here. In close touch with commander [omission].

GRIFFITH

File No. 837.00/1121

AMERICAN CONSULATE,
Santiago [undated, received February 22, 1917].

The below quoted despatch relative to the present condition here is forwarded to President Wilson on the request of the entire Chamber of Commerce of this city.

Honorable President of the United States, Washington, D. C.

The military authorities that effected the *coup d'etat* on the twelfth instant and rule this capital, have maintained complete order, guaranteeing thus far lives and property. They endeavor also to reestablish the normal economic life but in order to accomplish this rapidly, without the complete ruin of the present crop, it is necessary in the judgment of the commercial and producer's classes to have diplomatic mediation of your Government. With this object in view, said commercial and producer's elements assembled to-day in the Chamber of Commerce of this city, unanimously resolved to solicit of you, as a good friend of Cuba, to interpose your good offices to obtain rapidly the desired end. If present conditions prevail immense damage and loss will surely be caused that can be easily avoided by your timely mediation. Santiago, February 20, 1917. BADELL, *President*; JOSÉ HALL, *Secretary*.

GRIFFITH

File No. 837.00/1128

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, February 23, 1917. midnight.

Consul at Santiago reports newspapers refused to publish statement of attitude Government of the United States in present situation. He notified rebel officials and posted telegrams.

Military commander notified Royal Bank of Canada he will confiscate funds if necessary. Many persons have requested asylum at the Consulate. At Guantanamo City several persons protected by Consular Agent. No disorder there but banks closed, being unable to get funds. Consul at Santiago considers life and property guaranteed by war vessels only.

GONZALES

File No. 837.00/1121

The Secretary of State to Consul Griffith

[Telegram]

DEPARTMENT OF STATE,
Washington, February 23, 1917.

Your telegram forwarding statement of Chamber of Commerce of Santiago, addressed to President Wilson received. The President has instructed me to direct you to make the following statement in reply.

The Government of the United States has clearly defined its position in the present armed rebellion against the Constitutional Government of Cuba and it will attribute any disturbance of economic conditions or ruin of crops to the action of those in rebellion against the Government. Moreover, it cannot hold communication with leaders of this rebellion while they are under arms against the Constitutional Government. No other question except the reestablishment of order throughout the Republic through the return of those in rebellion to faithful allegiance to the Government can be considered under the existing conditions.

The Government of the United States, as has been made known to the people of Cuba, will support only constitutional methods for the settlement of disputes and will exert every means in its power as the friend of the Cuban Republic, to effect such settlement, but, until those persons who have revolted against the Government lay down their arms, declare allegiance to their Government and return to peaceful pursuits, the Government of the United States can take no further step.

LANSING

File No. 837.00/1133

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, February 25, 1917, 5 p. m.

British Minister today informed me his Consul at Santiago had asked protection British war vessel saying that insurgent commander had made demand on branch of Royal Bank of Canada to issue currency. Representative in Habana of National City Bank has asked for American marine guard for his bank in Santiago. British Minister said he left matter of protection in our hands. I do not know what orders naval commander in Santiago has but infer as Cuban forces were warned against attempting to enter that port he will undertake to prevent the destruction of foreign property or looting of city. I am cabling Consul at Santiago:

Take immediate precautions to safeguard these and other American and foreign interests, to this end consulting, if you think it necessary, commander American naval forces in harbor.

Government column that landed at Manzanillo yesterday reached Bayamo today on the way to Santiago and its approach is likely to cause more desperate acts on the part of insurgents. The time necessary to capture city by land with forces at Government's disposal most uncertain. Meantime only hope of protection of life and property there rests on United States force.

GONZALES

File No. 837.00/1156

AMERICAN LEGATION,

Habana, February 25, 1917, 7 p. m.

In two weeks of revolution Government forces have met with no reverse. Rebels hold no towns except where federal garrisons deserted at the outset and physical condition has made it impossible to reach. Loyalty of troops now with Government seems established. Total deserters not exceed seven hundred. Expected general uprising has not taken place. The army of Gomez estimated by his friends from four to fifteen thousand has not offered fight to even one battalion of federals except at Sancti Spiritus where insurgents were punished severely.

Nevertheless in Camaguey and Oriente Provinces general transportation remains paralyzed and second largest port is in the hands of rebels. Losses to all interests are great. The President is very optimistic. All business interests gloomy. In spite of the repeatedly declared position of Government of the United States revolutionary leaders are working now as on the first days of the revolt for American intervention. Then they expected United States to take charge of partial elections. Now they depend upon such intervention relieving them from punishment for illegal acts against the Government. How far will they go to force intervention? The prediction is general they will soon turn to wholesale destruction sugar cane and mills. If that is their purpose the Cuban Government cannot with forces at its command hold the towns, keep railroads open, and at the same time run down innumerable destructive bands hiding in woods and cane fields.

Whatever said to contrary I believe three or four revolutionary leaders control policy and men, Gomez having principal voice. Next week or ten days will probably reveal what policy will be. If it is destruction of property only quick action by the United States can prevent huge material losses. If that action takes form of giving physical aid to Cuban Government it can be exerted most readily by occupying ten or twelve ports and keeping open Cuba Railway, an American corporation. This alone would offer security to hundreds of American estates. If such support is given, the earlier it comes after need is determined, the greater its moral influence, and the greater its utility in releasing Cuban troops to suppress bandits.

My own view is that Gomez, failing in force, is as likely to fly from the country as resort to destruction. But in that view I stand practically alone.

GONZALES

File No. 837.00/1141

Consul Griffith to the Secretary of State

[Telegram]

AMERICAN CONSULATE,

*Santiago [undated; received February 26, 1917].*Cuban gunboat *Cuba* now outside blockading harbor entrance.

GRIFFITH

File No. 837.00/1142

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, February 26, 1917, midnight.

Important developments military today were occupation of Camaguey City at noon by Colonel Pujol; reestablishment there of civil government; advance of Pujol toward Nuevitas, the only port in that province held by rebels, and decisive defeat of a strong rebel force supposed to have been commanded by Gomez and Colonel Collazo near southern coast on boundary line between Camaguey and Santa Clara Province.

Great delay in receipt of arms from the United States Government seems to be hampering the President in pushing campaign.

GONZALES

File No. 837.00/1148

AMERICAN LEGATION,
Habana, February 27, 1917, 11 a. m.

Delayed radio from Guantanamo Naval Station just received says expected to land two hundred men midnight Sunday in Guantanamo town, as systematic destruction cane had commenced and disorder and danger to life threatened.

GONZALES

File No. 837.88/1150

AMERICAN LEGATION,
Habana, February 27, 1917, noon.

Colonel Betancourt, advancing from Manzanillo toward Santiago had severe fight yesterday afternoon at Bayamo where little loyal force was being besieged by insurgents with two troops disloyal cavalry from Santiago. Federal forces after two hours defeated insurgents who retreated by railroad toward Santiago. Three federal wounded.

GONZALES

File No. 837.00/1149

AMERICAN LEGATION,
Habana, February 27, 1917, 5 p.m.

Following my instructions February 25 to Consul at Santiago to protect banks and other foreign interests calling on commander of naval forces in harbor if necessary, he cabled yesterday no illegal demands made on banks. Today Royal Bank of Canada cables British Minister here he had delivered Government funds in his possession to insurgents. Amount supposed to be three hundred and fifty thousand dollars. British Minister alleges money delivered under compulsion. He says that forced bond issue or war tax levy threatened.

Report to British Minister also said efforts being made obtain permission for renewing grinding in sugar mills but insurgents will permit renewal only on request from Government of the United States made through Consul.

As Cuban armed forces were warned by us against entering harbor I believe United States should land forces enough to give security against either violence or coercion by insurgents. Also believe peremptory order given to rebel leader by American commander supported by five hundred men that he do not permit destruction of foreign property in territory within jurisdiction would have immediate good effect.

GONZALES

File No. 837.00/1151

AMERICAN LEGATION,
Habana, February 27, 1917, 11 p.m.

Wireless reports from number of naval vessels indicate most unsatisfactory conditions in Cuba yesterday existed in immediate vicinity Guantanamo where 220 marines landed. Landing of two companies marines from U. S. S. *Connecticut* also reported but place not stated. May be at San Francisco about thirty miles west of Manzanillo.

No late military developments.

GONZALES

File No. 837.00/1156

Consul Griffith to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Santiago [undated; received February 28, 1917.]

As result of a general meeting held by the owners and managers of 25 sugar mills the following letter with 25 signatures has been addressed to me with a request that same be forwarded:

The undersigned managers and owners of 25 sugar plantations and cane colonies in this province, do solemnly declare that since the 12th day of this month, all their estates are under the absolute control of the military forces which pronounced themselves opposed against General Menocal's Government and which operate under the orders of Commandant Rigoberto Fernandez under whose custody and care and not under General Menocal's forces the said estates have been working and executing in a normal manner all their grinding operations. That on the 24th of this month all this sort of work was stopped by the orders of the above said Commandant Fernandez and having gone out to him as the sole authority in control of this zone with the request that he cancel his order above referred to. The said Commandant stated that he issued that order in order to prove that the statement made by General Menocal before the United States Government to the effect that the sugar crop is being made in the usual way under control and custody of his forces is not true and the Commandant further stated that as soon as the American Government so suggests it, he will allow and take care of the sugar crop of our estates. In view therefore, that the Government of the United States can by a simple utterance avoid the enormous injury which the stoppage of the crop causes, we pray you to forward this declaration of our wants to the Honorable President of the United States and earnestly beg that he apply whatever remedy he may deem convenient.

GRIFFITH

File No. 837.00/1173

Minister Gonzales to the Secretary of State

No. 422

AMERICAN LEGATION,

Habana, February 28, 1917.

SIR: I have the honor to enclose a translation of a letter addressed to me by General José Miguel Gómez, President of the Liberal Directory and General Commanding the Constitutional Army, which refers to the first declaration made by the Department as to the attitude of the United States towards the revolutionists as contained in the Department's telegram of February 13, 5 p. m. The other note to which he refers is the one addressed by me to the Foreign Office pursuant to instructions contained in the Department's telegram of February 10, 7 p. m.

Several days ago the British Minister called considerably agitated and said he had received by a special messenger from Jatibonico this letter, sent to him by a British subject at that point for delivery to me. Mr. Leech was apprehensive that the Cuban Government would suppose that he was having some communication with the rebels, and was in doubt as to what to do with the note. I suggested that he enclose it in a note of explanation to the Foreign Office for such disposition as they chose. This he did, and the letter was delivered to me by the Subsecretary of State that evening.

I have [etc.]

WILLIAM E. GONZALES

[Inclosure—Translation]

The President of the Directory and General Commanding the Constitutional Army of Cuba to Minister Gonzales

[Undated.]

HONORABLE SIR: The circular telegram of the Department of Communications at Habana, dated the 14th instant, containing the text of your latest note relative to the political problems of Cuba, has come to my knowledge through a local Sancti Spiritus newspaper of the 16th. I also have knowledge through the same medium of the text of the first note upon the same subject sent by you and the answer thereto made by the constituted Government of Cuba.

In my quality of President of the Liberal Directory and Supreme Head of the present armed movement, I hasten to communicate to you the true and only end which is sought.

It is in no wise intended to overthrow the constituted government and set up a revolutionary government: there is nothing further removed from our thoughts. We demand only of the Government which functions in Cuba that it respect constitutional rights and, consequently, permit the holding of the partial elections³ in such a manner that they shall inspire confidence and be guaranteed against any attempt at official fraud or abuse of power. To accomplish this the party through its directory has exhausted every effort, proposing an infinite number of solutions of a harmonious character. None of them was even taken into consideration, but on the contrary, as a matter of public knowledge, preparations for fraud and the use of force were in the last few days augmented to an inconceivable limit.

I, in my official character, am in accord with the contents of your Government's first note, which bears out the noble friendship which you and the great American nation have for us, but I cannot accept as true the answer given by the Government of Cuba. On the contrary, it is false and the most superficial investigation would prove this beyond any question.

³ By-elections to have been held in several precincts in Santa Clara and Oriente provinces.

I wish to conclude with the assurance to you that any formula which shall guarantee free exercise of suffrage in the partial elections, without force or threats or frauds officially organized, will be accepted by us and will put an end to this political condition, in which we do not seek to overthrow governments and aspire only to preserve the rights and the freedom obtained with the blood of our heroes and consecrated in our Constitution, preferring otherwise to forfeit our well-being, our lives and our race.

I enclose a copy of the proclamation issued by me to the people and the army.¹ As you will observe, its contents embody the foregoing sentiments.

It affords me pleasure to proffer you the assurance of my most distinguished consideration.

JOSÉ M. GÓMEZ

File No. 837.00/1121

The Secretary of State to Minister Gonzales

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, March 1, 1917.

For your information. The following was sent to the American Consul at Santiago on February 23, in response to a statement forwarded by him from the Chamber of Commerce of Santiago, addressed to President Wilson. [Here follows Department's telegram of February 23, 1917, to the American Consul at Santiago.]

LANSING

File No. 837.00/1165a

The Secretary of State to Minister Gonzales

[Telegram—Paraphrase]

DEPARTMENT OF STATE,
Washington, March 1, 1917, 5 p. m.

The Department instructs him to present Department's telegram of March 1, 1917, to President Menocal and to emphasize the statement that the Government of the United States will support only constitutional methods for the settlement of disputes and will exert every means in its power as a friend of the Cuban Republic to effect such settlement but until those in rebellion have laid down their arms, etc., the Government of the United States can take no further steps.

To say to President Menocal that no doubt remains as to the victory gained by the Constitutional Government over the rebels and as it is evident that the rebellion is crushed the United States wishes to extend its sincere congratulations to the constituted Government for this triumph. Also to state that as any further fighting would result only in needless loss of life and destruction of an immense amount of property of both Cuban and foreign owners, the United States counsels him in the most earnest manner to make clear to the people of Cuba and to the rest of the world his position as the patriotic advocate of constitutional methods for the settlement of electoral disputes and as the supporter of the mandates of the Supreme Court by immediately issuing a proclamation setting forth that coincident with the laying down of arms by the insurgents and

¹ Not printed.

return to their allegiance, elections will be called in Santa Clara and Oriente Provinces and an amnesty granted to those concerned in the revolt.

The Government of the United States as the sincere friend of the Cuban people desires to see a further triumph for the Constitutional Government in demonstrating to all that the only proper solution for difficulties such as the present occasion presents is through means provided by the laws of Cuba and in this case by the mandates of the Supreme Court, the highest judicial body in the Republic. It therefore offers its good offices to the Cuban Government to bring about this solution.

As this is matter of great urgency press for immediate compliance of the President with this Government's suggestion, pointing out that the destruction which has already occurred and that which is bound to result from guerrilla warfare ensuing after the dispersing of the larger bands of insurgent forces would probably force this Government to take such action as might destroy the moral effect of the Constitutional Government's successes.

To cable immediately result of conference with President Menocal.

File No. 837.00/1163

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 1, 1917, 11 p. m.

Destroyer *Cassin* entered Habana today. Commander reports arrival at Nuevitas Saturday; that afternoon rebels fired railway station and sugar warehouse. He went ashore, ordered rebels prevent fire spreading. This they did, saving town. He told revolutionary leader if further disorder he would land naval force. Reply was, that exactly what they wished. Rebel commander said his orders from Camaguey headquarters were to burn railway, cane fields. On Sunday rebel commander invited commander of *Cassin* to take charge of town as he would evacuate next morning. *Cassin* left Sunday afternoon. U. S. S. *Eagle* arrived at Nuevitas February 27 and now there.

GONZALES

File No. 837.00/1165a

The Secretary of State to Minister Gonzales

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, March 2, 1917, 4 p. m.

Department's March 1, 5 p. m. In view of conditions as reported by naval commander at Santiago, recommend that Cuban Government immediately raise blockade and instruct Cuban Consuls to resume issuance of clearances of Santiago.

Department is communicating with bankers in New York in regard to funds to relieve situation.

LANSING

File No. 837.00/1166

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 2, 1917, 6 p. m.

Department's March 1, 5 p. m. Instructions complied with 11 o'clock this morning. President has lost voice from severe cold. Promised written reply to-morrow morning but he said that amnesty to the rebelling officers would mean ruin of army as all self-respecting officers would resign. Seemed indifferent as to the elections. Would be willing to have General Crowder investigate and pass on whole election question.

I beg make the following statement; yesterday Ferrara cabled leader of Conservative Party in the House of Representatives practically same proposal for himself as made by revolutionists in Santiago.

Yesterday Gómez sent a message to commander of U. S. S. *Paducah* that unless arrangements made for reholding partial elections with fairness he would proceed with destruction of property. The revolution began five days before the partial elections.

Two weeks before the elections on inquiry from Zayas I offered to cable the Department any request he would make for supervision of elections. He made none.

Several days before the revolution General Emilio Nuñez, Secretary of Agriculture and Conservative Vice-Presidential candidate, having charge of party affairs in Santa Clara published a statement declaring liberals were raising false cry of contemplated coercion and frauds by the Government. He made a solemn promise of free ballot and safety of all who wished to vote, declaring Government's purpose solely to preserve order. On the same day President Menocal made to me similar declarations. But the liberal press continued publishing assertions that Government intended shooting liberals who attempted to vote. For weeks before the general elections in November press and rumor carried similar stories but after elections there was not one allegation of coercion by the army. The charge made after November elections by the liberals was that the courts would not decide justly on pending questions but the liberals were beneficiaries of the court's rulings. The courts I understand are open to appeal from results in partial elections.

The same leaders of the revolution of 1916 are the leaders of this revolution. They then succeeded in their object and suffered no punishment.

I assume recommendations by naval officers at Santiago are made without knowledge of intricate past political history or consideration of the future political effect nor of the almost certainty that officers of the army who turned against the Government deserted because promised high promotions for becoming traitors.

The revolution has failed. Outside of Santiago city rebels are reduced to condition of bandits. But they are destructive bandits. If Cuba is to live as self-governing, if revolutions destructive of life and property are to cease, there is one policy—the letter and spirit

of the Department's reply of February 23 to Chamber of Commerce of Santiago. That means unconditional submission. Anything like compromise would be acclaimed victory by revolutionists and another step away from stable government.

GONZALES

File No. 837.00/1156

The Secretary of State to Consul Griffith

[Telegram]

DEPARTMENT OF STATE,
Washington, March 3, 1917, 5 p. m.

Investigate and report as to actual conditions surrounding sugar estates Alto Cedro, Palma and Cupey in Guantanamo sugar zone.

Your undated telegram received February 28, 4.30 p. m. This Government is giving full consideration to letter of twenty-five owners sugar estates, and statement of conditions existing on the properties mentioned.

LANSING

File No. 837.00/1168

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 3, 1917, 6 p. m.

President Menocal handed me today a memorandum in Spanish and reply to my representations of yesterday carrying Department's instruction of March 1, 5 p. m. Following is a translation:

There are very serious objections to bases proposed by the leaders of the rebel troops in Santiago and they are not predicated upon any consideration of justice. The very healthy moral effect of the declaration of the Government of the United States in favor of the constituted Government of Cuba duly appreciated by me demands that the energetic and decided action now being developed with assurance of early and satisfactory outcome shall not be weakened by a pact which is not even justified by necessity.

The full amnesty which is sought for all those in arms granted, as it would have to be granted, by pact or parley and not by wholesale clemency while they are still in frank sedition and perpetrating all kinds of misdeeds would have a disastrous effect upon the morale of the army and upon public opinion. It must be borne in mind that this is not a revolution of the people but is almost wholly a military sedition of officers who have been disloyal to the Government and unfaithful to their oaths and have scandalously broken discipline by rising in arms against the lawful powers, imprisoning constituted authorities and in some cases burning judicial archives and appropriating public moneys.

Without setting aside considerations of clemency for the victims of suggestion or force, as already announced in proclamations published to that effect, it is obvious that only by the just and exemplary punishment of the principal perpetrators and instigators of such crimes could the future Government of Cuba be set upon a firm foundation and the integrity of her institutions preserved. Indiscriminate pardon granted in consequence of a pact in which they would appear in the position of imposing terms would not only crush the authority and moral force of the Government but would provoke deep discontent in the loyal forces. A large part of the officers of the army, wounded in their most cherished sentiments, would prefer to abandon the ranks than to have themselves confounded with or by rank subordinated to those who have conducted themselves in such a guilty and shameless manner. Call attention to fact that the rebels with whom naval officers conferred in Santiago can speak only for a small group and not for Gómez who is Commander in chief of constitutional army and head of revolution respectively.

The suggestions contained in the bases relative to decisions of the Supreme Court and to the special elections in Santa Clara and Oriente Provinces are inconsistent with the facts. All of the decisions of the Supreme Court in election matters have been strictly fulfilled and in accordance with those decisions the election proclamations of successful candidates in Pinar del Rio, Matanzas and Camaguey have been issued. The special election pending after those decisions were to have been held on the 14th and 20th of February. The former were held on the appointed date and the governor-elect has already taken office, Senators have been chosen by senatorial electors and the representatives in Congress have been proclaimed. The election in Oriente has been postponed on account of the revolutionary uprising in the capital of the province and, without the necessity for any pact therewith the rebels, will be held in accordance with law as soon as the troops take the city which will not be more than a few days hence. All facts go to prove that the people have been indifferent to the incitement of the rebels. The rebels have failed in their hope to bring about a popular uprising and were it not for the seditious troops who are still out, the movement, lacking the support of public opinion, would be already wholly put down. The Government encounters, on the contrary, decided support in all the provinces as shown by number of volunteers hastening to enlist in defense of law and order.

I am quite sure that had the arms which we await from the United States been already received we would by this time have had the rebellion completely in hand. Everywhere the law prevails in the western provinces and has been reestablished in Santa Clara and Camaguey and in a great part of Oriente. The advance of the troops upon Santiago after the victorious action of Bayamo is progressing with all possible haste and success. I think I am entitled to reasonable time for completing this task of peace and justice.

That in the interval of the few days longer which the insurrection will at any rate last, some destruction of private property may occur at the hands of the rebels themselves and with the deliberate purpose already announced of forcing change in the policy of the United States should be no reason for such change, for property damages would not remain without compensation nor could they justify the resulting sacrifice of the supreme interests of maintenance of constitutional legality of discipline in the armed forces of justice.

I believe firmly that the only constitutional measure which can be adopted in this situation of violence and force encompassed by the sedition of a part of the army is to let the army itself carry out its duty and accomplish the end for which it was created by enforcing respect of authority and law, which it will be able to do soon if the authority and the prestige of the Government is not crushed by unjustified concessions.

GONZALES

File No. 837.00/1166

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 3, 1917, 9 p. m.

Your March 2, 6 p. m. Your cable represents President Menocal as being opposed to amnesty to rebelling officers and states that effect of such amnesty would be ruin of army as all self-respecting officers would resign.

Your cable is silent as to attitude of Menocal towards amnesty to others than officers. The immediate question is not amnesty but right of those in complicity with present insurrection to cast their votes in partial elections to be held under decree of Supreme Court. Obviously there can be no satisfactory partial elections held if electoral rights of voters in the precincts where such partial elections are denied to voters duly and properly registered therein. Ascertain views of President Menocal in this regard and as to other safeguards which should surround these partial elections which can be properly embodied in a proclamation re elections.

This Government believes that the most effective means which can be employed in bringing about a triumph of Constitutional Government in Cuba are those which have been suggested above.

LANSING

File No. 837.00/1167

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, March 4, 1917, 5 p. m.

Department's March 3, 9 p. m. In my telegram of March 2, 6 p. m., was stated the President's reply would be submitted next day; it was cabled yesterday.

By proclamation of February 27 President granted amnesty to enlisted men who deserted under force of circumstances. Under this 110 enlisted men have returned to duty, one or two returning lieutenants have been pardoned, hundreds of civilians, including mayors of towns not charged with violence, have surrendered and been liberated. I believe amnesty intended for all civilians except pernicious leaders and flagrant criminals.

I definitely understood from the Department's addresses to the Cuban people sent through me and President Wilson's reply to Santiago Chamber of Commerce that the sole present question for the United States was fact of illegal rebellion against constituted Government of Cuba and that no other question could be entertained until the rebels submitted to Constitutional Government of Cuba. In Department's telegram, however, it is said that an immediate question is the

rights of those in complicity with present insurrection to cast their votes in the partial elections to be held under the decree of the Supreme Court.

Perhaps President Menocal's reply together with my despatch of March 3, 7 p. m. have already furnished further information concerning this issue, but I assure the Department the question is not as it understands. Nothing has been done against the decree of the Supreme Court. Nothing decreed by law to be done has been left undone except holding partial elections in Oriente. The capital of province where elections officials reside was cut off from access to district where the elections were to be held. The President has announced that he will have these held under proper safeguards as soon as conditions make it possible.

Partial elections have been held according to legal decree in Santa Clara Province. Whether they were properly conducted is a question open on appeal to Supreme Court as were scores of appeals taken from results of November election. Whether the United States Government will insist upon new elections being held is for the Department. My concern is only that whatever my Government does shall be right.

There has not come to me a single statement that voter was denied right to vote in Santa Clara or that force was employed. The liberals took up arms days before the election and few went to polls. It is practically a certainty that many ballots were cast in names of persons not present; that is here a common election fraud belonging to

the wrong system referred to in my telegram of March 3, 7 p. m. It is deplorable and the whole system needs a change. But the question from my sense of justice is whether the United States should insist upon purifying six precincts where the conservatives benefited from ballot box stuffing without considering the hundreds of precincts where similar or more gross frauds were practiced in the general elections and from which other party was probably greater beneficiary.

GONZALES

File No. 837.00/1170

AMERICAN LEGATION,
Habana, March 4, 1917, 11 p. m.

I am without definite information from the Department as to what naval authorities are authorized to do in making terms with rebels. Radio reports from San Francisco indicate clearly that general amnesty is taken for granted and promises about elections authorized by native citizens.

My recommendation of week ago was that intolerable condition in Santiago be remedied by the United States forces occupying town and controlling situation. Port could then be opened without danger of rebels getting ammunition or the customs duties and as United States prevented Cuban armed forces entering harbor to retake city it seems most logical act.

If given opportunity believe rebel officers in Santiago would surrender to United States naval commander and enlisted men would take advantage of amnesty already offered. The officers could rely on good offices of the United States to save them severe punishment. Rebel officers Santiago have already taken half million dollars or more Government funds.

GONZALES

File No. 837.00/1176½

AMERICAN LEGATION,
Habana, March 4, 1917, midnight.

Your March 2, 4 p. m. The President promises desired action opening of and issuing clearance to ships at earliest possible date consistent with military necessity. He does not wish munitions to reach rebels before he can get forces to city. Also desires to bar their escape and avoid further looting customs receipts.

GONZALES

File No. 837.00/1206

Minister Gonzales to Secretary of State

No. 423

AMERICAN LEGATION,
Habana, March 5, 1917.

SIR: I have the honor to enclose in translation copy of a communication from the Mayor of Cienfuegos to our Consul in that city, conveying by resolution of the city council a message of commendation to our Government for its attitude towards the insurrection, and referred to me by Mr. Bartleman.

I have [etc.]

WILLIAM E. GONZALES

[Inclosure—Translation]

*The Mayor of Cienfuegos to Consul Bartleman*CIENFUEGOS, *February 28, 1917.*

SIR: The municipal council of this city, legally convened on this date for the purpose of seating the new councilmen and mayor returned in the elections recently held, said new members and mayor attending the meeting, unanimously adopted, at my instance and upon proposal of the president of the council, a resolution to convey to the President of the United States a message of admiration for his wise policy and of gratitude for the attitude of his Government in connection with the armed sedition which disturbs public order in our Republic.

And in compliance with said resolution, I have the honor to address this communication to you, begging you as the representative of the Government of the United States in our city, and in turn the Minister of your nation accredited to the Government of Cuba, to cause this message from our municipality to reach your Government.

I am [etc.]

SANTIAGO C. REY

File No. 837.00/1165a

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 6, 1917, 5 p. m.

Department's March 2, 4 p. m. In view of great necessity felt by sugar mills, mining companies and other enterprises for continuing operations and as these properties are dependent upon their coal and other supplies from the United States it would seem imperative that the Cuban Government allow vessels containing such supplies to pass through the blockade, it being understood that assurances would be given that such supplies were to be delivered directly to American interests and that they should in no way be transferred to any persons under arms against the Government of Cuba.

LANSING

File No. 837.00/1179

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, March 7, 1917, 10 p. m.

In view of President Menocal's statements contained in your March 2, 6 p. m. and March 3, 6 p. m., and statement in your March 4, 5 p. m. in regard to amnesty to enlisted men, issued February 27, you are instructed to impress upon President Menocal the importance of issuing a proclamation providing for constitutional elections in Oriente Province, after arms have been laid down and the rebels have returned to their allegiance.

This would uphold Constitutional Government and make clear the President's sincerity in having elections held according to constitutional means. It is also imperative that this matter be taken up immediately as a renewal of hostilities in Oriente would cause a disastrous situation.

LANSING

File No. 837.00/1188

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, March 7, 1917, midnight.

Department's March 6, 5 p. m. Blockade raised on all coal shipments. Cuban Consuls notified to [issue] clearances.

GONZALES

File No. 837.00/ 1187

AMERICAN LEGATION,
Habana, March 8, 1917, 2 a. m.

General José Miguel Gómez, supported by Colonel Quinones, deserter from regular army, 400 deserting soldiers from the army and numerous other revolutionists, were disastrously defeated at Placetas, Santa Clara Province, noon today, by Government force of 2,000 infantry and cavalry under Colonels Collazo and Consuegra. Gómez, his entire staff, including his son and Colonel Quinones, with 200 others, made prisoners; 200 rebels killed. Government losses less than 20.

Several troops federal cavalry drawn from Pinar del Rio yesterday participated in battle after traveling 200 miles by rail.

Gómez forces were struck by simultaneous cavalry charges from the front and rear, machine guns effective; pursuit of the fragments being continued. Special train being organized midnight to bring more important prisoners to Havana. Gómez will be confined in special quarters state prison and will be under the disposition of civil authorities. Charges against him will include rebellion, destruction property and appropriation of Government funds.

Colonel Quinones and other deserting officers who are prisoners will be tried by military court. The military achievement by the federal troops which had been disposed and directed by telegraph and telephone by President Menocal for three weeks is striking but the fact that the chief conspirator was taken prisoner is testimonial to the humanity of the army and executive. With the chief instigator of destruction imprisoned and several thousand troops heretofore employed in hunting him released for other duty, security of property becomes much stronger. Except for activity of a revolutionary leader in New York, I see nothing to sustain even a destructive policy. Please furnish a copy of appropriate part of this despatch to the Chief of Staff of Army.

GONZALES

File No. 837.00/1195

AMERICAN LEGATION,
Habana, March 8, 1917, 10 p. m.

Department's March 7, 10 p. m. In a proclamation issued today addressed to the Cuban people, President describes revolution as broken by the capture of its chief promoter and leader, he exhorts all those who are still out in a lost cause to lay down arms which can at most serve only to prolong the suffering of the country and cause

further irreparable damage, and conveys the assurance that while he will treat with inflexible vigor those who are obstinate in further wounding the mother country he will have all possible indulgence for those who, sincere in their repentance, give themselves up to the just and proper course of the laws and the constitution.

This afternoon I spent more than two hours with the President and Secretary of State with reference to Santiago and Oriente Province. Immediate result was issuance of following proclamation for immediate publication under this date:

It having reached my knowledge that there exist or that an attempt is being made to spread erroneous ideas in regard to the special elections which were to have been held on the 20th of last February in the Province of Oriente and which were suspended by my decree number 237 of the 16th of February because City of Santiago, where, by provision of the law the provincial electoral board vested with the canvass of the returns of that province resides, was in the power of the rebels risen in arms against the Constitutional Government of the Republic, I hereby make known that within ten days after reestablishment of the said Constitutional Government in the aforesaid City of Santiago de Cuba the holding of said elections will be decreed in accordance with decisions of the Supreme Court or resolutions of the central electoral board or the provincial electoral board relating thereto with full guaranties for the free casting of ballots which the electoral law prescribes and in strict accord with the provisions thereof.

Under the law all persons not in prison who are registered at polling places may vote without regard to whether they have been insurgents and regardless of amnesty.

The President recognizes Garcia Muñoz as governor. Muñoz cabled request that the President appoint Rigoberto Fernandez military commander Oriente Province. Menocal considered suggestion that deserter from army who had overpowered and imprisoned superior officer, rebelled against legal government and seized state funds be made military commander while yet in revolt too preposterous to merit reply.

The President and Secretary of State concur that civil governor has authority under the law to receive surrender of rebelling officers whom he must hold in prison subject to courts and to accept surrender under terms amnesty proclamation of February 27 of all enlisted men who would of course return to army. The Governor is absolutely devoid of legal power to appoint military commander. Under Cuban laws provisional governor little more than salaried figurehead.

Naval commander's proclamation issued March 4 and indorsed by Consul, while ambiguous in form received by me, appears to support Fernandez as commander of Oriente before having surrendered as rebel; to warn other forces from entering province after Government troops already in province; and to clothe Fernandez with sole authority to suppress disorders of which his revolutionary companions solely guilty.

Yesterday rebels warned federal commander Betancourt, advancing toward Santiago, they would burn the President's personal estate, the Palma Soriano mills, if advance continued. Menocal ordered advance today. Rebels burned all cane—thirty-five million arrobas. Federal troops arrived in time to save mill.

I believe influence in Oriente against Government opposition of Commander Fernandez of Santa Clara and Commander Demola of Camaguey tremendously exaggerated through Ferrara in New York

and his agents in Santiago. These rebel officers lack influence in Oriente where there are no important civil rebel leaders. With Santiago in Government control there is not half the influence to sustain disturbance in that province that has been demonstrated in Santa Clara.

GONZALES

File No. 837.00/1194

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 9, 1917, 2 a. m.

Suggest that naval commander at Santiago have substance of President Menocal's proclamation of today posted in streets, then land battalion marines, and notify rebel commander he must submit to Government or go outside city to fight federal troops. This would relieve apprehension of bloodshed in city and there would probably be little outside.

GONZALES

File No. 837.00/1188

The Secretary of State to Consul Griffith⁴

[Telegram]

DEPARTMENT OF STATE,
Washington, March 9, 1917, 5 p. m.

For your information the following cable was sent to Habana March 6, 5 p. m.:

Sugar mills, mining companies and other enterprises have great need to continue operations. As they are dependent on coal and other supplies from the United States it is imperative that Cuban Government allow all ships carrying such supplies to pass the blockade, it being understood that assurances will be given that such supplies are to be delivered directly to American interests and should in no way be transferred to any persons under arms against the Cuban Government.

The Legation replied to this cable, under date of March 7, midnight, as follows:

The blockade has been raised on all shipments of coal. Cuban Consuls have been notified to make clearances.

Department desires that you see that any such supplies as arrive are delivered directly to American interests and are not transferred to any persons under arms against the Government of Cuba.

LANSING

File No. 837.00/1173

The Secretary of State to Minister Gonzales

No. 302

DEPARTMENT OF STATE,
Washington, March 9, 1917.

SIR: The Department has received your No. 422 of the 28th ultimo in which you enclose a translation of a letter addressed to you by General José Miguel Gómez, styled President of the Liberal Directory and General Commanding the Constitutional Army.

⁴The same to the consular agent at Guantanamo.

It appears to the Department that you need not reply to General Gómez's letter.

I am [etc.]

For the Secretary of State:

FRANK L. POLK

File No. 837.00/1204

The Cuban Government to the Cuban Minister

[Telegram. Left at the Department by the Cuban Minister, March 9, 1917]

HABANA, *March 7, 1917.*

You are instructed to inform the United States Government that there are no elections pending other than those of Oriente Province, inasmuch as the ones at Santa Clara were held on the 14th ultimo with the strict observance of all legal requirements and without any protests or appeals having been entered against them. Legally, therefore, the elections referred to are an accomplished fact, so much so that the governor-elect has already taken possession of his office. Any interference with that election would be contrary to the law and could not be accomplished legally, much less so if it is taken into consideration that the suppression of the definitive character of those elections in pursuance of the rebels' demands, would represent the upholding of their illegal pretensions.

File No. 837.00/1195

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 10, 1917, 4 p. m.

Your March 7 (8?), 10 p. m. You are instructed to ask for an interview with President Menocal and to say that the situation in Cuba has been carefully considered by the President of the United States and the Secretary of State and that it is suggested that peaceful conditions may be sooner restored and further destruction of valuable property be prevented, if he should ask for an investigation and adjustment of the election question by General Crowder and other representative Americans, as was intimated by him to you; that this Government would be willing to lend its good offices to the Cuban people in this respect.

It is suggested that a proclamation, embodying this request should follow the proclamation of President Menocal which was contained in your cable of March 8, 10 p. m.

LANSING

File No. 837.00/1199

Consul Griffith to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Santiago [undated; received March 12, 1917, 2 p. m.]

Marines protecting city. The people excited but all quiet. Fighting between the Government forces and insurgents at San Luis and Dos Caminos en route Santiago de Cuba about eight leagues distant.

Cane fields burning and destruction continues. Roads leading into Santiago de Cuba full of people fleeing into city.

GRIFFITH

File No. 837.00/1210

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 12, 1917, 6 p. m.

Your March 11, 4 p. m.⁵ Consul and naval commander not agreed to conditions in City of Santiago.

No report except from Consul that city authorities retiring or panic conditions there. Naval commander will turn over city to the Cuban Government when latter brings there without fighting way in sufficient force to guarantee order. Expected this force 650 men will enter by sea Wednesday evening; after which reserves in the city will be organized.

Meantime Government forces around San Luis on advice of naval authorities are not advancing pending conference with Cuban Government officials and commander United States Ship *Montana* at Guantanamo from which latter hopes good results. Next forty-eight hours may indicate more clearly what to expect of rebels. If policy of destruction is to be pressed Cuban Government cannot protect foreign property. As suggested earlier, physical aid from United States, if given, can be best employed in guarding railroad trunk lines and the more central properties, leaving Cuban forces to protect outlying properties and pursue bandits.

GONZALES

File No. 837.00/1222b

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 14, 1917, 6 p. m.

The Navy Department has received the following message from the commander of the United States vessel stationed at Guantanamo which Colonel Jane desires to have forwarded to President Menocal:

After 24 hours have elapsed since requesting conference leaders now ask five days armistice to permit sufficient time for conference and answer from you. Await orders. Signed Colonel Jane.

The Navy Department states that the commander of the U. S. S. *Montana* believes that as it is essential before conference, armistice requested is important, and considers that by conference basis of settlement can be reached. He states that the situation at present is quiet but if no action is taken or if a battle takes place in that vicinity he considers it certain great damage will follow to foreign and American property, no matter with what result. He strongly recommends that this view be presented to President Menocal by you.

LANSING

⁵ See protection of American interests, p. 418.

File No. 837.00/1225

Consul Griffith to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Santiago [undated; received March 15, 1917, 7 p. m.]

Transport just landed about 600 Government troops, insufficient to protect city if the marines are withdrawn. Have told Commander Belknap it is advisable to defer landing until the arrival more troops, otherwise city will witness fighting and probably much destruction. Bitter feeling increases against Americans. Cuba President to save lives should grant some sort of armistice immediately.

GRIFFITH

File No. 837.00/1226

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, March 15, 1917, midnight.

President Menocal received from two representatives of Government in Santiago following cablegram tonight:

Interpreting your wishes and policy we today visited Mayor Comacho, liberal, who had taken refuge in Italian Consulate, assured him in your name he will be absolutely unmolested and respected in position as mayor. We asked him make our attitude plain to all liberals here, stating your Government opposed to all reprisals, and only desire prompt complete restoration public peace and tranquillity.

The President cabled reply as follows:

I applaud your conduct with respect to Mayor Comacho. Continue to employ these methods.

GONZALES

File No. 837.00/1224

AMERICAN LEGATION,
Habana, March 16, 1917, 1 a. m.

Government troops disembarked Santiago today. According to advices to the Cuban Government they were welcomed joyfully by townspeople but panic exists among rebels still in city, who seem to fear action of civil courts whose sittings had been suspended. It is proposed to organize 1,000 militia. Government forces and American marines appear to be still in city.

The President expresses confidence that rebels will not attack city, and that no difficulty be experienced in maintaining order.

GONZALES

File No. 837.00/1227

AMERICAN LEGATION,
Habana, March 16, 1917, 1 a. m.

Your March 14, 6 p. m. The President has answered *Montana* asking object of formal armistice. He has no information as to need for formal declaration, but states a practical armistice already exists, as he is making no advance toward Guantanamo.

GONZALES

File No. 837.00/1230

AMERICAN LEGATION,
Habana, March 16, 1917, 5 p. m.

Colonel Sanguily cables the President from Santiago that the complete regimental band with lieutenant, sergeant major, paymaster sergeant, and 40 other soldiers who were with rebels surrendered to him to-day. Other surrenders expected.

Reports having sent cavalry force reconnoiter four miles from city where governor and American Consul reported rebel force ready to attack city but found none. His patrol guarding one of the aqueducts supplying city had skirmish last [night]. Suffered two wounded.

President Menocal's explanation of the agitation in Santiago against occupation of city by Cuban forces is that such activity is influenced by numbers of prominent business men affiliated with rebels whose names were recently published in Santiago liberal paper as roll of honor. These men fear they will be thrown in jail. Said he had no intention of troubling liberals who were not criminals.

Five hundred federal infantry are moving to-day from Bayamo to San Luis. This gives additional security to Santiago from attack of rebels.

Mayor of Bayamo reports mills grinding at Manzanillo. Road to Bayamo open and numerous rebels presenting themselves. Railroad conditions in Camaguey improving but still bad. No complaint of cane fires for several days.

GONZALES

File No. 837.00/1234

AMERICAN LEGATION,
Habana, March 17, 1917, 1 p. m.

11.30 today communicated following via *Dixie* and also cable to U. S. S. *San Francisco*:

Commander *Montana*, Guantanamo. For the purpose of your holding a conference on board *Montana* with rebel leaders proposed by you in which you hope to reach terms consistent with Cuban President's proclamation, the President of Cuba agrees not to advance east of Alto Songo for a period of five days from 6 p. m. today. It being understood that the rebels do not attempt to advance west of that point. Immediately west of Alto Songo is already occupied by Government troops whose only purpose now is to protect property, establish and maintain order in Santiago and immediate vicinity. (My signature).

Had some difficulty in getting armistice.

Commander of *Montana* stated armistice desired so rebel leaders could leave troops for conference without fear attack while absent.

GONZALES

File No. 837.00/1240

AMERICAN LEGATION,
Habana, March 19, 1917, 4 p. m.

Received wireless this morning from naval commander at Guantanamo saying rebels declined to attend conference on war vessel because armistice granted for that purpose did not include whole province. I saw the President in regard to proposal. He said, and

I have transmitted reply, that new request is along lines policy of Ferrara to involve his country and the United States into entering pact with the rebels against which both declared opposition; that Government held every important point in province except Guantanamo; that threats of destruction were similar to those made when attempting to prevent federal troops landing at Santiago; that instead of attacking Santiago as threatened half of deserters from the army in reach of city had surrendered. He considered armistice over province would place Government at a disadvantage and did not consider extreme apprehension warranted. At the same time he expressed a wish that marines be landed at Daiquiri and other threatened points on the coast between Santiago and Guantanamo.

The President said that if naval commander is satisfied armistice agreed to would not be taken advantage of for conference he was ready to advance on Guantanamo.

I added personal belief that a vigorous declaration along lines made by Department weeks ago to the effect that rebels would be held strictly accountable for American life and property if now made to those declaring themselves prepared to become murderous and destructive bandits would have marked effect. To treat as belligerents men who will not fight but threaten to murder unarmed Americans would be a grave mistake.

GONZALES

File No. 837.00/1249

AMERICAN LEGATION,
Habana, March 21, 1917, 10 a. m.

At Arroyo Hondo, Camaguey Province, yesterday Colonel Pujol struck large band of rebels under General Caballero, former Governor of Province. Rebels left 27 dead, 67 horses, miscellaneous arms on the field; Government lost 2 wounded.

One detachment 50 men sent to relief of American colony La Gloria has returned to Camaguey, leaving 100 men there. This detachment struck several robbing bands in the hills in vicinity, killing 18. La Gloria is quiet.

Twenty-seven more deserting soldiers have surrendered Federal commander Santiago and 8 in Camaguey.

General Carlos Giras, member of Congress, and a general in the 1906 revolution, surrendered with few men in Pinar del Rio.

Rebel Colonel Eudalido de Feria with several other prominent revolutionists sought asylum on gunboat *Machias*, north coast of Oriente Province, and with approval of Federal Colonel Varona will be permitted to leave country on the first outgoing ship.

Wholesale surrender of leaders with armed men possible in Camaguey Province. Government representative at Guantanamo reports confidential message from commander 160 rural guards in that district. He is waiting opportunity join federal forces with men and has been endeavoring to prevent destruction property by followers of Rigoberto Fernandez.

GONZALES

File No. 837.00/1257

AMERICAN LEGATION,
Habana, March 22, 1917, 11 p. m.

Commander *Eagle* at Manati, Oriente Province, forwards petition of rebels that locality for supervision elections by the United States. Also petition from numbers Americans at Bartle and Galvi for protection. These consider imminent danger and say property being wantonly destroyed. They hear that next Sunday set for renewed attacks.

Manati Sugar Company wishes troops protect cane field and railroad bridges.

I have notified *Eagle* position of the Government of the United States as to elections and informed Cuban Government fear of American colonists.

GONZALES

File No. 837.00/1254

AMERICAN LEGATION,
Habana, March 23, 1917, 1 a. m.

Urgent. Persistent rumors of intervention by the United States in favor of and response to appeals from rebels circulating here today. This is intended, doubtless, to encourage continued opposition to Government at the time of most discouraging conditions of insurgents in the field.

I think this is the psychological moment for another unequivocal declaration by the Department along lines of earlier messages especially that of February 18, 7 p. m. It would probably result in a general and immediate collapse.

GONZALES

File No. 837.00/1254

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 23, 1917, 4 p. m.

Your March 23, 1 a. m. You are directed to hand the Cuban Government a copy of the following statement and say that you are authorized to make it public.

A copy of this cable has been sent to the commanding officer of the United States naval forces via Navy radio with direction to hand it to Consul at Santiago and to make it public in all parts of Cuba.

It has come to the attention of the Government of the United States that a report is current and persistent in Cuba that the United States in response to requests from leaders of those in revolt against the Constitutional Government is considering taking steps in their behalf. The Government of the United States is at a loss to understand how its attitude in the present situation in Cuba could be misunderstood.

In order to avoid any further misunderstanding with reference to the several statements made by the Government of the United States and published throughout the Republic of Cuba, which statements have defined the attitude of the Government of the United States in unequivocal terms, it is desired to reiterate essential points set forth in the above mentioned statements which are as follows:

1. The Constitutional Government of Cuba has been and is being supported by the Government of the United States in the endeavor to restore order throughout the Republic.

2. The Government of the United States, in emphasizing its condemnation of the reprehensible conduct of those in revolt against the Constitutional Government in attempting to settle by force of arms disputes for which adequate legal remedies are provided, desires to point out that until those in revolt recognize their obligations as citizens of Cuba, have laid aside their arms and returned to their allegiance to the Constitutional Government, the United States cannot hold communication with any of them and will be forced to regard them as outside the law and beyond its consideration.

LANSING

File No. 837.00/1270

Minister Gonzales to the Secretary of State

No. 428

AMERICAN LEGATION,
Habana, March 23, 1917.

SIR: I have the honor to transmit in duplicate a communication dated March 20 from the commanding officer of the U. S. S. *Eagle* to the Secretary of the Navy, via American Minister, Habana. Attached to the first copy are a memorandum signed by several rebel officers who conferred with an officer of the *Eagle* at Manati, and two petitions for protection from American residents of Bartle¹ and Galbis.¹

The commander of the *Eagle* states that he "feels certain that if the United States sees fit to act favorably" on the request of the rebels, as conveyed in this memorandum, for action by the United States which would in effect be a recognition of the justice of the rebellion and admission of the Government's defeat, "quiet and order will be quickly restored." But while apparently urging a course calculated to quell the immediate disorder, he does not seem to consider the effect which justification of the rebellion might have on the future peace of Cuba.

I have communicated to the Foreign Office the requests of the American citizens resident at Bartle and Galbis for protection.

I have [etc.]

WILLIAM E. GONZALES

[Inclosure]

*Commander Hewitt to the Secretary of the Navy*U. S. S. "EAGLE,"
Manati, Cuba, March 20, 1917.

1. I forward herewith the declaration signed by the rebel leaders in this vicinity before Lieut. (j. g.) J. A. Lee, U. S. Navy, yesterday morning March 19.

2. I myself conferred with the above-mentioned leaders yesterday afternoon, and assured them that I would forward their declaration and do all in my power to assist in reaching an agreement. I published to them the recent proclamation of General Menocal.

3. They are convinced that coercion was being used in this province before the election due Feb. 20. It is reported to me reliably by foreign residents that rurales started such a reign of terror here, beginning about Feb. 1, that many men were afraid to go to the polls. The leaders assured me most solemnly that they would stand by the result of any election the fairness of which was guaranteed by the U. S., and that supervision by the United States was the only means of obtaining such an election.

¹ Not printed.

4. I asked them if they wished a general reelection, or merely one in the contested districts. They replied that they wished only an election in the districts of Las Tunas and Las Villas.

5. They beg the U. S. to intervene in the interests of justice and are determined to force an intervention by any means in their power. They are now respecting life and property but, if the U. S. does not intervene, they state they intend to start a wholesale campaign of destruction, and, if that does not avail, they may even go so far as to threaten the lives of Americans. I explained to them the gravity of such a course, and told them most decidedly that the leaders committing, or allowing such acts, would be held personally responsible. Also that a campaign of destruction would impoverish their own country. They replied that they understood that perfectly, but that they were willing to go to any lengths to obtain a justly elected Government.

6. They disclaimed responsibility for lawless acts committed in this vicinity and assured me that, while awaiting a reply from my Government, they would do their utmost to protect American interests. I feel certain that if the U. S. sees fit to act favorably on their request, quiet and order will quickly be restored. Otherwise I fear much more property will be destroyed and the safety of unprotected Americans greatly endangered. The situation of the women is particularly bad, since the men have practically no firearms, and they are absolutely unprotected from the insults and assaults of roving bands of lawless, and frequently drunken, negroes. They cannot get out, since travel is dangerous, and frequently impossible for them.

7. There are no Government troops in the vicinity except at the Chaparra mills, where report says that there are as many as 3,000. These are inactive and do nothing but guard the Chaparra property.

8. I forward herewith the appeal of the Americans in Bartle. I can do nothing but obtain assurances for their safety, which Gen. Mendieta has given. An officer has gone there today to investigate conditions. We may furnish an escort for any one desiring to come under our protection at Batey.

9. The manager of the Manati Sugar Company also appeals for more forces in order to protect his cane fields and railroad bridges. We can only assure the safety of the mill, and the people at Batey, as my force is too small for any extensive operations.

10. An early reply to the proposition of the rebel leaders is most desirable. The sending power of our radio is low, but any message sent broadcast from Key West, on the schedule for a ship with single operator, will probably be picked up.

11. A gentleman has just come in from Galbis with the enclosed letter which is self-explanatory.

H. K. HEWITT

[Subinclosure—Translation

Statement of Certain Rebel Officers

In the Dumañuecos Ward of the Township of Victoria de las Tunas on the 19th of March, 1917, the following gentlemen:

General José Irene Muñoz, General Blás Mendieta, Colonel José Grau y Agüero, Lieutenant Colonel Jorge Martínez Valdivia, Major Felipe Leyva, Major Manuel Olivet, Captain Ayudante Juan Carrio Garcia, aide to General Mendieta, and other officers, all belonging to the invading column of Camagüey, met and made it of record:

That they wish to make it known to the Government of the United States of America not under the head of military weakness but for the good of peace, wealth and prosperity in this beloved country of theirs, that they endorse the declarations that were recorded in the instruments drawn up in the city of Santiago de Cuba in the presence of the Admiral of the American Squadron, Mr. Mayo, and also that of Camagüey and that of Santa Cruz del Sur, Province of Camagüey, on March 6 of the current year, adding that all their aspirations are condensed in the following declarations:

Obtain from the Government of the United States of America that elections will be held in Cuba under the supervision of that country, in which elections the people of Cuba will be allowed freely to cast their votes within the most narrow legality and this being accepted by the Government of the United States obtain under the guaranty of that nation a total amnesty for every leader, private and countryman that may have risen under arms, guaranteeing at the same

time the free use of the property of all without their being confiscated or burdened under any head. The foregoing once achieved the forces that have risen against the Government of Menocal will lay down their arms and be the first to guarantee the restoration of order and will abide by the returns whatever they may be even that of legally continuing in power President Menocal, for all their cravings may be summed up in a vehement desire to have justice and legality prevail in this country whose Constitution has been invaded by the Government of Menocal, to which all the present events may be traced.

And in order to make it of record they sign the present instrument in the presence of J. A. Lee, Lieutenant of the American Navy, whose ship is anchored in the port of Manatí.

JOSÉ IRENE MUÑOZ
FELIPE LEYVA
MANUEL OLIVET

BLAS MENDIETA
JOSÉ GRAU Y AGÜERO
[Illegible.]

File No. 837.00/1264

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 25, 1917, noon.

Near Cienfuegos today Collado, revolutionary leader, with 9 men taken prisoners. Also Colonel Carlos Roca. This is only band known to be operating in that section.

Among 20 others to surrender in Camaguey and Santa Clara Province were deserters from army.

GONZALES

File No. 837.00/1294b

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 27, 1917, 7 p. m.

Commander *Prairie* reports food shortage in Guantanamo City becoming serious and considers that the reinstatement of federal customs and postal officials and the opening of the port an immediate necessity. He also stated that in the absence of instructions to the contrary the federal officials will be reinstated and protected.

You will take this up with the Cuban Government and report.

LANSING

File No. 837.00/1272

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 28, 1917, 11 p. m.

Your March 27, 7 p. m. As Cuban forces occupied Guantanamo and its port of Caimanero yesterday, it is assumed that Government officers have been established in offices and rebels desiring have surrendered. The port is open. The President is sending ship with supplies for poor people of Guantanamo.

GONZALES

File No. 837.00/1283

Minister Gonzales to the Secretary of State

No. 433

AMERICAN LEGATION,
Habana, March 29, 1917.

SIR: I have the honor to enclose herewith in translation a copy of President Menocal's manifesto to the people of Cuba, dated March 26, 1917.

I have [etc.]

WILLIAM E. GONZALES

[Inclosure—Translation]

President Menocal's Manifesto of March 26, 1917

To the People of Cuba: I consider it one of my first duties in the political crisis which fortunately is approaching its end by the complete triumph of law and justice, to state directly to the country the true character of the revolution as it becomes more and more pronounced by the dastardly acts of the leaders and their instruments, and the purposes which guide me in my firm determination to combat rebellion until it is crushed.

I shall not be dissuaded from doing this because such a statement may now seem unnecessary or superfluous; nor because of the daily diminishing number of rebels in arms against the lawful Government of the nation; nor because of the fact, which for the honor of Cuba is daily becoming more patent, that the great majority of those who have responded to the artful incitement of the self-seeking instigators of the uprising with abominable acts of rapine and barbarous destruction of private property are of the most ignorant, lawless and depraved classes of our people; nor because of the series of victories achieved by our brave army, which have brought into relief the weakness of the much-vaunted rebel forces; nor even because of the failure of the campaign of false news, organized perseveringly and unscrupulously, out of Habana, Santiago de Cuba and New York, for the purpose of leading public opinion astray in our own country, in the United States, and elsewhere.

No one can have forgotten among those who have followed the course of events during the four months preceding the elections of November 1, that there hung over the country a veiled though persistent menace of revolution by the enemies of the Government. Through this menace it was attempted to coerce all those who recalled with horror the outrages, disorders and destruction of property which had characterized former disturbances, instigated and directed by the same politicians. Then began likewise the iniquitous task of undermining the discipline and loyalty of the army, which should be always sacred to all parties, to corrupt men bound by all ties of honor and duty to uphold law and order and defend the Constitutional Government of the Republic.

In September and October last year these same politicians spread the rumor that the Government was going to use the public forces at the polls for the purpose of assuring its victory. The elections were held, and the injustice and malevolence of these calumnies was bared to the sight of all, for no charge or complaint was made of the use of force by the authorities as against the rights of any elector. On the contrary, forty-two Conservatives addicted to the Government had been killed in bloody encounters, while none of their adversaries met that fate. The very persons who had attributed to the Government such designs against freedom of the suffrage explicitly admitted the perfect legality and admirable order with which the elections had been held throughout the Republic. Not having obtained the victory which, at all costs and by whatever lawful or unlawful means, they sought to impose upon the country, the conspirators persistently and loudly made the most impassioned charges concerning the elections as held in certain precincts, insinuating that their protests would not be heard by the courts, whose integrity they challenged, endeavoring to poison the public mind with malevolent conjectures of the pressure which, as they alleged, the Government proposed to bring to bear upon the courts, and threatening revolution if the courts decided against their claims. But the decisions of the courts were favorable to them. They could allege nothing further against the force and efficiency of the remedies provided by law. They straightaway plunged, with-

out consideration of any kind, into a campaign of spreading broadcast over the country, in the most violent and menacing terms, the bold imputation that the Government would prevent its adversaries from casting their ballots in the bye-elections which in accordance with provisions of the law were to be held in a few districts. And failing to intimidate the Government or to impose upon it by their threats pacts incompatible with its dignity and with the Constitution and laws, they plunged into revolution five days before the date set by the proper boards and courts for holding the first of said bye-elections; uprising in arms upon such a futile pretext notwithstanding that the courts which had previously decided contest after contest in their favor and with their applause, were the same courts which would have cognizance of proper appeals should the Government have been capable of adopting any measure contrary to the law or violating the rights of electors.

The Government of the United States has defined very exactly and very properly the conduct of the rebels in saying that they have attempted "to settle by force of arms disputes for which adequate legal remedies are provided." In proceeding thus these men have seriously impaired the prestige of Cuba and have attempted to bring into disrepute the capacity of our people for self-government.

Against such rash proceeding as this and against the acts which very soon revealed the extent and anarchical character of the conspiracy hatched against public repose and law and order, the most vigorous and severe measures would have been justified. The Government, nevertheless, while acting with all necessary energy, has acted within the law; and I have observed my purpose not to carry punitive measures to an extreme to the point of abstaining from the exercise of the exceptional powers vested in me, but the use of which I reserve for a necessary case.

No one deploras more bitterly than I this sanguinary struggle between brothers, nor more anxiously and fervently longs for the reestablishment of order and normal political life which shall afford equal safeguards to everyone in his rights and aspirations. I have never made any determined personal effort in a contest for political power. But I harbor the ambition, with an ardor which in no one is excelled, of securing peace based upon justice and the liberty which consecrates it. I am ambitious to see Cuba occupy firmly and permanently a place of honor, above those unfortunate countries, victims of disorders and revolution which are the derision and scorn of prosperous and cultured nations where the authority of the laws and the stability of governments are scrupulously respected. In opposing as I do, with resolution and firmness, to the rebellion and its excesses and outrages all the means which the Constitution has placed in my hands, I defend the very existence of the Republic and assure the necessary foundation for its future prosperity and grandeur.

For those high ends, in which the present and future of our country are bound together, acting in its name and for its good, I am entitled to the support of all loyal Cubans who love their country, without exception as to persons or parties. Citizenship demands that they work decisively, each in his own sphere, against the attempt to sacrifice the Republic for petty partisan considerations and personal ambition. No good citizen can deny his aid in putting down anarchy, in punishing a rebellion stained already with atrocious crimes and which employs by preference the arms of depredation and incendiarism. To let such outrage go unpunished would be permanently to renounce for the future solid and stable governments capable of affording adequate protection of life and property.

To all citizens without distinction I appeal for their cooperation in the reestablishment of peace—now, fortunately, near—and in the task of strengthening the roots of the Republic, for today and for all time.

President's Palace, in Habana, March 26, 1917.

M. G. MENCAL

File No. 837.00/1277

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, March 30, 1917, 11 a. m.

Rebel military forces Oriente Province crushed. Four o'clock this morning Colonel Varona at Guantanamo reports surrender to him

two and one-half troops cavalry, company infantry, machine gun section, pack train, 100 armed civilians, and all civilian leaders that part of the province, including Manduley, liberal governor-elect.

Surrender of soldiers fully armed represent almost all deserters. Civilians include prominent men from Santiago.

Thirty thousand rifle and twenty thousand machine gun cartridges captured.

From Santiago Secretary of Government reports additional fights with revolutionary forces from Songo. Twelve killed at one point, nine at another, and forty of their wounded brought into Dos Caminos yesterday. Others scattered. Majors Rigoberto, Fernandez and Mola believed fled to hills without men.

Secretary of Government ordered hundred men work at repairing railroads.

GONZALES

File No. 837.00/1278

AMERICAN LEGATION,
Habana, March 30, 1917, midnight.

My March 30, 11 a. m. Surrender to Colonel Varona continued today and include entire number of soldiers and all but five officers of the army and rural guard that deserted in Oriente Province. Total military 580; 230 armed civilians and numerous unarmed also surrendered.

Commission from North Central part of province leaves Habana tonight with authority from the President to receive surrender of several revolutionary leaders that section. Prospect of early complete pacification Oriente excellent.

There are two strong rebel contingents remaining in Camaguey, one headed by deserting major from army, other by liberal candidate vice president.

GONZALES

File No. 837.00/1287a

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 31, 1917, 2 p. m.

In order that Legation may be kept informed as to conditions in the eastern end of Cuba as reported by naval officers, U. S. S. *Dixie* having left Habana and wireless communication being discontinued, the Department will send you daily a summary of conditions. These should be kept before Cuban Government for its information and action to protect American lives and property.

U. S. S. *Eagle* reports disorder increasing and colonos have gone to mills. Caballero forces moving toward Manatí. Election decreed by Government April 6, and troops to be sent few days before. Grave disorder feared will result. Foreigners are being robbed and maltreated. Unprotected women and children at Galbis, no means of getting away. More protection urgently needed.

LANSING

File No. 837.00/1286

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, April 4, 1917, 1 a. m.

Federal commander at Manatí this afternoon reported complete domination situation there. Communication by wire and rail improving.

GONZALES

File No. 837.00/1287

AMERICAN LEGATION,
Habana, April 4, 1917, 1 a. m.

Yesterday and to-day 155 rebels surrendered Guantanamo and Santiago, among them several of some importance. The fact that Fernandez and other rebel officers who fled to Haiti carried 140,000 dollars is reacting upon insurrection.

GONZALES

File No. 837.00/1294c

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, April 4, 1917, 5 p. m.

Navy Department informs Department that commander U. S. S. *Eagle* reports situation at Manatí much improved; that Fernandez has moved towards Nuevitas and his forces dispersed; that conditions for surrender have been requested by them, and that there is no need now for the U. S. S. *Birmingham*. He states also that reports that Government will hold elections April 9 conflicts with your message that elections are postponed.

U. S. S. *Machias* reports to Navy that commander Nipe Military Zone has informed him that sufficient federal troops have been supplied to protect place occupied by *Machias* landing party, which will be withdrawn when assurances are given that Americans are free from danger and that protection supplied is adequate.

LANSING

File No. 837.00/1295

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, April 6, 1917, midnight.

Your April 4, 5 p. m. On reestablishment order and Federal Government Santiago City provincial council for Oriente Province, which I understand has complete legal authority, ordered elections postponed from February twentieth to be held April ninth. These

partial elections cover four municipalities. Conservatives have already small majority in province as decreed by findings of Supreme Court and since that decision liberals have not contemplated carrying province. No interest in election is manifest here.

While I do not understand clearly what Commander of United States Ship *Eagle* wishes, if Cuban Government gives protection to voters and there is a free ballot to all belonging to districts regardless of affiliations as promised in proclamation those rebels turned bandits seem not to have any grievance.

GONZALES

File No. 837.00/1301

AMERICAN LEGATION,
Habana, April 9, 1917, 11 p. m.

General Delgado, a congressman, with four other important rebel chiefs, and 400 men surrendered to Government at Arroyo Blanco, Camaguey Province today. Some soldiers who deserted at Camaguey at inception revolt are among these men. Surrender regarded as most important by the Government.

GONZALES

File No. 837.00/1301

AMERICAN LEGATION,
Habana, April 16, 1917, 11 a. m.

General Guzman, member of Congress, prominent in 1906 revolution, political companion Ferrara, and active inciting present troubles, surrendered today. He took the field at outbreak of revolution, but lost all followers.

GONZALES

File No. 837.00/1311

AMERICAN LEGATION,
Habana, April 16, 1917, noon.

On both sides border between Camaguey and Oriente Provinces, 400 miles east of Habana, numerous leaderless bands, mostly negroes, operating, robbing country, stores and houses. Colonel Varona capable organizer and officer recently placed in command of that district with adequate forces and I hope for early suppression of bandits.

GONZALES

File No. 837.00/1318

AMERICAN LEGATION,
Habana, April 21, 1917.

General Gustavo Caballero, former governor of Camaguey, was seriously wounded and 150 of his followers taken prisoners by Colonel Pujol today. Caballero has been operating between Camaguey and Manatí in Oriente. In an encounter three days ago 40 of his men were killed.

GONZALES

File No. 837.00/1325a

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, April 25, 1917, 5 p. m.

American Consul Caimanera reports conditions at Santiago, Manzanilla and surrounding country to be deplorable; that conservative estimates indicate at least 6,000 well-armed revolutionists operating in Oriente Province with little hope the present strength of Government forces will be able to overcome them; that feeling against Americans is bitter and American property interests suffering. He adds there is immediate need for effective action.

LANSING

File No. 837.00/1330

Minister Gonzales to the Secretary of State

No. 444

AMERICAN LEGATION,
Habana, April 29, 1917.

SIR: I have the honor to enclose herewith copies of letters exchanged a month ago between Doctor Alfredo Zayas, liberal candidate for the presidency in the last elections, and myself. The first letter is from Dr. Zayas bearing date March 29; the reply is of the following day. Dr. Zayas made rejoinder on March 31, and my final letter was written April 2.

While Dr. Zayas immediately took advantage of the information as to his security from arrest contained in my letter of March 30, by coming out of hiding, he has not responded to my letter of April 2, or taken advantage of the opportunity therein given to explicitly state exactly what he wished to ask the Department. I considered it a proper precaution to require that he formulate his own questions and write them in his native language.

A month before the date of this correspondence a mutual friend came to me from Dr. Zayas and stating that he wished to visit me at the Legation, asked for a *salvo conducto* from the President.

Replying to my inquiry, President Menocal said Dr. Zayas was hiding from his own fears, but he would issue a formal safe conduct.

This he gave to me, the document being unlimited in time and embracing all Cuba.

When notified that I had the *salvo conducto* Dr. Zayas declined to receive it unless endorsed by me. I told him I would endorse it for the day of his visit to the Legation but as these guaranties from molestation were issued on the assumption that the holders would abstain from all acts against the Government or other illegalities, I could not for a moment consider extending my responsibility beyond the point indicated.

He did not take the *salvo conducto* and remained hidden for another month.

I have [etc.]

WILLIAM E. GONZALES

[Inclosure 1]

Mr. Alfredo Zayas to Minister Gonzales

HABANA, March 29, 1917.

SIR: From the beginning of the present revolution I have been out of all public act, in order to avoid any unjust accusation, or be put in prison without cause, as result of political antagonism, or excessive zeal, or erroneous information.

But I believe it will be convenient for the peace and order in the Republic, and for the exercise of legal actions, that I could act as president of the liberal party and candidate for the presidency, with my friends, that are, I am sure, disposed to take a line of conduct in accordance with me.

For that purpose, I need to be at home, and in different places of the city, and perhaps I will find convenient to go to Washington, in relation with the same matter; and I desire to obtain, by your personal intervention, the assurance that the Cuban Government, or its agents, shall not accuse me, and that I will be in liberty to go to Washington, considering it convenient.

I don't pay attention to the judiciary proceeding, because I am not responsible in any way.

So, I beg you to take in consideration this letter (in other case confidential) and be kind giving to me an answer, directed to my wife, 3a Morro st.

Believe me [etc.]

ALFREDO ZAYAS

[Inclosure 2]

*Minister Gonzales to Mr. Alfredo Zayas*AMERICAN LEGATION,
Habana, March 30, 1917.

MY DEAR SIR: Your letter of yesterday's date asking that I obtain for you guaranty from arrest so that in the interest of securing peace in Cuba you might visit and consult with leaders of the liberal party in Habana and then, if deemed convenient, proceed to Washington, was handed to me yesterday afternoon by your son.

I spoke with General Menocal upon this subject last night, and was assured by him, as he has assured me from the outbreak of the revolution, that you had no cause to fear arrest by the Government in Cuba. He does not consent, however, that you should leave Cuba at this time because he cannot observe where any activities by you in the United States could operate for peace.

At the last interview you had with me at the Legation in the early days of February, in response to your inquiry as to whether the United States would intervene I offered to transmit by cable to the Washington Government any statement you or the liberal party wished to make concerning the pending partial elections, including a request by you or that party for supervision of those elections by the United States. You said you would that evening consult with those in control of the party and would communicate the decision the following day. I heard nothing further on the subject. A few days later you left Habana for Santa Clara Province, where you remained until after the revolt began.

The Government of the United States has not known persons or parties in the distressing conflict in Cuba. But it has known the Constituted Government of Cuba, and it has known its established policy of condemnation of and opposition to revolutions against constitutional governments. The President of the United States publicly declared this policy years ago. It should have been known to every intelligent person not wilfully blind to my Government's attitude.

In my letter to Mr. Márquez Sterling, published in all the newspapers of this country early last December, was an appeal to the patriotism of Cubans; it also contained the trite declaration that civilization could rest only upon law; that the appeal to illegal force led to anarchy, and that "no existe problema que los cubanos no puedan solucionar por sí, y solucionar para su honor perdurable, si cada cual acuerda en su corazón: primero que nada, mi patria!"⁶

But in face of the declared and known position of the United States Government towards revolutions and of my efforts to avert a foredoomed revolution, the revolt against the Government took place before the partial elections were held.

⁶Translation: "There is no problem the Cubans are unable to solve by themselves and solve it to their everlasting honor, if every one will decide in his own heart: My country first of all."

The United States Government has four times declared its position since this uprising occurred, three times through this Legation and once to the Chamber of Commerce of Santiago de Cuba. I hoped when the first declaration was made that patriotic Cubans would recognize the finality of that decision and actively exert themselves to prevent sacrifice of life, destruction of property and the breeding of the spirit of lawlessness and brigandage. At each subsequent declaration the same hope was entertained, but, as yet, in vain.

You now speak of going to Washington. Is there any question bearing on this matter that my Government has not answered? Is there any uncertainty as to the attitude of my Government on any point which could possibly hinder patriots in Cuba from working in Cuba for their country's interests? If there is, and you can not leave this country to appear in Washington, I again offer to present your question or to state your case by cable and obtain a reply.

If there is to be patriotic work for tranquillity manifestly it should begin while such efforts can have value—before all the men to die have been killed and all the property to be destroyed has been burned.

WILLIAM E. GONZALES

[Inclosure 3]

Mr. Alfredo Zayas to Minister Gonzales

HABANA, March 31, 1917.

MY DEAR SIR: I am obliged for your attention answering my letter, dated 29 of the present month; and I remain knowing that the President, General Menocal, assure you, as he has assured before, that I don't have cause to fear arrest by the Government in Cuba.

I wish to submit to your consideration how delicate is my personal condition at the presents circumstances. I am the candidate opposite to Gen. Menocal, and convinced of having won the elections, so that I discusse, not his actual presidency, perfectly legal, but the future Government, that I don't judge under the same criterium, and in consequence my acts persecuting this second point of view, can not be interpreted as opposition to his permanence in functions in these moments.

I didn't give to you an answer about your offer to transmit by cable to Washington Government any statement or petition from me or from the Liberal party, including a request for supervision of the special elections, because I wanted to know personally the conditions existing in Santa Clara, after the assurances that General Menocal has given to you (and you told me) that those elections should be impartial and with guarantee for all.

I left Habana the 7th of February, in the evening, with the purpose of visiting the six electorals colleges, and assist to a meeting of the Provincial Convention the 10th, returning to Habana and calling on you the 11th, presenting a request to your Government for a counsel or advise to General Menocal, about the elections of the 14th, if I found it necessary.

The conditions in Santa Clara show me immediately that it would be impossible for the liberals the exercise of their right as voters. Myself, I was threatened by the soldiers not to pass in front of the house destined for the Electoral College in Guadalupe (municipality of Zulueta);—I saw numerous electors of Ranchuelo in Santa Clara and Camajuani, who have been compelled to leave their homes, afraided by the Rural Guards;—I was induced by my friends not to go to Yaguaramas, because they assure me that I would be killed;—the same was said by my friends in Purial;—and I talked with several electors of Pedro Barba that the public force has forced them to leave their homes and rural properties. However, I proposed in the meeting, and was approved by all, to appoint commissioners for each College, and to assist to the elections. I have then the purpose of returning to Habana and make without delay the said petition to you; but from the 9th and during the 10th, I received by telephone news of prisons effected and others expected in Habana, and the 10th I read in the journals, with great surprise, that the Liberal Directing Board was accused of rebellion. Then I resolve reaching the city not to appear in public, fearing to be accused and arrested, losing my activity completely.

Impossible was for me to give my answer about the matter treated in our interview, and I hope you will excuse me.

You ask me if there is any question bearing on the Cuban case that your Government has not answered, or any uncertainty as to his attitude in any point, and I will say that I find two questions of fundamental importance to be consulted.

I. The Government of Washington don't make any difference between the entety "Liberal Party" and the entety "Revolt," being this last composed by militars, and private citizens liberals and also conservatives, as the Generale Milanés, Padró y Garcia? When the Government of Washington declare that he never will treat with anybody while the rebels don't deposed their arms, he included in his refusal one or more representatives of the Liberal Party, desiring to treat with him about the matter?

II. The present Government of Cuba is legal and constitutional, and never we, liberals, have denied that, or pretended to interrupt its functions; but the next Government can be the result of illegal proceedings, and appear as one legal and constitutional, because the Liberal Party, considered (erroneously by your Government, and intentionally by interesteds here) as the same Revolt, or as a similar or complementary body, cannot do nothing in guard of its rights by causes easily conceived. If the Government of Washington has given his powerful support to the actual Government of Cuba, in consideration that it is legal and constitutional, must be a logical consequence of this policy that the support will cover a new Government that possibly will appear elected during the Revolt, voting in Santa Clara more names than electors were registered, and effecting a fantastic votation the 9th of April in Oriente, where nobody can go, or interfere in any way?

I call your attention upon these two points, and beg you, if you don't find inconvenient, to transmit them by cable to the Government of Washington, because I understand that my liberty is assure in Cuba, but not for sailing to Washington.

I am now according with my political friends a line of conduct with the purpose of restoring normality in the Legislative Power, as far as it will be in compatibility with the interests of our Party.

ALFREDO ZAYAS

[Inclosure 4]

Minister Gonzales to Mr. Alfredo Zayas

AMERICAN LEGATION,
Habana, April 2, 1917.

MY DEAR SIR: While believing that I understand the points you wish me to present to the Washington Government, made in your letter dated March 31 and received yesterday afternoon, I prefer that you present those questions exactly as you desire them transmitted, writing them in Spanish.

You are mistaken, however, when you assume that my Government has considered the liberal party as in revolt. It has considered simply the fact of a revolt against the legal Government of Cuba. The fact that the legal party has up to the present taken no steps to terminate the revolution; that it has neither through the party organization nor through the mouth of any leader publicly condemned a revolt evidenced chiefly in the ruthless destruction of property of American citizens; that the party's candidate for Vice President together with the ex-President of the Republic and president of the *directorio liberal* which conducted your campaign took up arms against the Government; that every proposal to cease destruction of property and lay down arms has been based on conditions concerning the elections—these facts render it mentally impossible to segregate the interests of your party from the interests of the revolutionists.

Nevertheless, my Government has taken no position against the liberal party, nor refused to discuss questions with representatives of that party not involved in the revolution. That is not the difficulty in which you find yourself. Your situation, as I see it, is that your political interests and those of the active revolutionists are so inextricably interwoven that even should you demonstrate having had no participation in or lent no encouragement to the revolution, there appears to be no proposal for the consideration of my Government that you could make in favor of yourself as a candidate that would not also be in favor of the revolutionists.

Please bear in mind that the United States Government is in no way responsible for the position in which you are placed. If, as I said before, there are leaders in your party outside the revolutionists who are opposed to the revolution, they have kept silent and permitted those in active revolt against what you concede

to be the legal Government of Cuba to appear as the party's spokesmen. The questions which should have been settled by the courts or by arbitration were not permitted by the revolutionists to reach the courts; and those who asked the United States to assume the rôle of arbitrator did so only after attempting to overthrow the legal Government, and then made their request with a rifle in one hand and a torch in the other. They have used the torch.

We both know that the revolution was long discussed. There was work done in the army against the loyalty of the troops for weeks or months before the revolution. Your information, as you told me more than two months ago, was that 75 per cent of the army would come to you in the event of revolution.

In view of these facts, your legal and logical mind will at once observe that the weakness of position occupied by those leaders of the liberal party not personally involved in the revolution, who would now have the United States interfere in their party's behalf, is due to no act of the United States Government. These leaders gave at least the consent of silence while the revolutionists acted as if in behalf of the party. They acquiesced at least to the extent of silence in those illegal acts of rebels condemned by the United States Government. They appeared, so far as the United States Government could observe, to stake their political success or defeat upon the success or failure of the revolution. And they did so with the knowledge of the deep opposition of the United States Government to such revolutions.

I sincerely trust that tranquillity will soon come to Cuba, but believe that if peace is to be hastened by the action of civilian counsellors, the problem will have to be approached from the patriotic rather than from the technical side.

WILLIAM E. GONZALES

File No. 837.00/1326

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, April 29, 1917, midnight.

Report from Consul at Caimanera (in your April 25, 5 p. m.) as well as later report received from naval station. As to large well-armed body rebels threatening Guantanamo City in direct conflict with telegraphic reports from military commanders to Cuban Government. With every sugar mill grinding and railroad operating in Manzanillo district and perfect order in Santiago, Government is at a loss to understand designation of conditions as deplorable. Strength of Government forces in Oriente is not known at Caimanera. Naval officers report changed attitude of rebels toward Americans. This is true but to attribute this to German influence is in my opinion erroneous. My information, including statement from President of Cuban Railroad and letters to British Minister, is that rebels Oriente confident during first six or eight weeks revolution of friendly attitude American Navy. Latterly they alleged bad faith and word breaking. This logically accounts for change attitude toward Americans.

On statement to me by naval officer just from Santiago that only two mills in province grinding, I requested Government get detailed report by telegraph. They report by name 29 mills grinding, another to begin tomorrow. Three not grinding for lack of personnel; two not grinding account rain and bad roads; one all cane burned six weeks ago.

In the past week 800 reinforcements gone to Oriente. With improved conditions in Camaguey, four to eight hundred more will be sent from there this week but there are rumors of intention of rebels increase activity 20th May, Inauguration Day. Whether cred-

ence should be given this rumor is impossible to judge but if 1,000 marines can be spared from Haiti, as I am informed, it would be wise precaution to bring them to Guantanamo Naval Station where they would be quickly available for protection iron mines and railroads from mines to ports.

GONZALES ✓

File No. 837.00/1327

Consul Wolcott to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Caimanera, May 1, 1917, 11 a. m.

Personal observation and information from reliable sources indicate Government forces cannot suppress the revolution in this province. Decided lack energetic activity Government troops. Destruction and pillage of American and other property daily occurrence. American forces insufficient in number. Strongly recommend superior force of American marines be sent here with authority pursue revolutionists until subjugated.

WOLCOTT

File No. 837.00/1336

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, May 7, 1917, 11 a. m.

Cuban Congress met this afternoon, counted the electoral vote, and proclaimed Menocal and Nuñez President and Vice President elected. Two-thirds of both houses were necessary for quorum. Efforts to break quorum abortive, five-sixths of membership attending. A protest signed by Zayas and nine members of House against elections in Oriente and Santa Clara was offered as a matter of form, but House refused to receive it. All members then joined in standing vote declaring election. No speeches or semblance of bad feeling.

Habana and Camaguey votes cast for Zayas, other four provinces for Menocal.

It had been freely predicted Congress would refuse to declare Menocal elected.

GONZALES

File No. 837.00/1339

AMERICAN LEGATION,
Habana, May 8, 1917, 1 p. m.

Referring to my cable of April 29, midnight, last paragraph. Believe the prompt reenforcement Guantanamo naval station with from 500 to 1,000 marines very desirable. I do not anticipate increased activity of rebels but their activities concentrated in Guantanamo valley and with marines to guard railroad and properties between Guantanamo and Santiago federal forces can move quickly bring rebels and bandits to terms.

President Lewis of Guantanamo and Western Railroad extending from naval station to point near Santiago today asked for protection. It can be readily given if marines are at station. Property on the lines of road incidentally can be furnished increased protection.

Additional forces may be employed without publicity and in such a manner as to be perfectly acceptable to Cuban Government.

GONZALES

File No. 837.00/1330

The Secretary of State to Minister Gonzales

No. 332

DEPARTMENT OF STATE,
Washington, May 9, 1917.

SIR: The Department has received your No. 444 of the 29th ultimo in which you enclose copies of letters exchanged between Dr. Alfredo Zayas, liberal candidate for the presidency in the last election, and yourself, and report your action in obtaining a safe conduct from President Menocal for Dr. Zayas. You state that Dr. Zayas declined to receive the safe conduct unless it was endorsed by you and that you advised him in reply that you would endorse it for the day of his visit to the Legation but not for a longer period. You add that Dr. Zayas then declined to use the safe conduct and remained hidden for another month.

Your despatch has been read with interest and your action in the matter is approved.

I am [etc.]

ROBERT LANSING

File No. 837.00/1327

The Secretary of State to Consul Wolcott

[Telegram]

DEPARTMENT OF STATE,
Washington, May 10, 1917, 5 p. m.

Your May 1, 11 a. m. Department is giving careful consideration contents your cablegram. Keep Legation at Habana informed as well as Department, of all changes of situation.

LANSING

File No. 837.001M52/25

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, May 10, 1917, 10 p. m.

Official announcement at Palace today of frustration last night of plot blow up President Menocal and American Minister. President had known of conspiracy for twenty days. A sergeant detailed in Palace permitted himself with the consent of the President to be bribed with two thousand dollars place dynamite bomb. Location stipulated for infernal machine was in closet directly beneath the President's desk and time set half past nine last night. Officials

infer that as American Minister has transacted business with the President at that desk almost every night for three months from nine to ten o'clock that he was included in the program.

Last night after several postponements the bomb was delivered to the supposed Palace conspirator. It weighed thirteen pounds, was expertly made, charged with dynamite and detonator and had ten minute fuse.

Of five men directly implicated four have been arrested. The President has notified Zayas and several liberal Congressmen believed to have had knowledge of the plot to remain in their homes and not receive visitors.

The President was warned yesterday by a Congressman who knew details of conspiracy.

GONZALES

File No. 837.00/1345

AMERICAN LEGATION,
Habana, May 10, 1917, 11 p. m.

Two so-called generals, a colonel, lieutenant-colonel, and 500 armed men, surrendered in the Holguin district of Oriente this morning. Five hundred Government reinforcements due in disturbed Guantanamo Santiago district May 12.

GONZALES

File No. 837.00/1336

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, May 10, 1917.

Your May 7. Convey to Cuban Government congratulations of this Government in view of proclamation by Cuban Congress of the election of President Menocal and Vice President Nuñez.

LANSING

File No. 837.00/1347a

The Secretary of State to the Secretary of War

DEPARTMENT OF STATE,
Washington, May 10, 1917.

SIR: I have the honor to inform you that this Department has been advised, through the American Consuls at Guantanamo and Santiago de Cuba, through American residents in Oriente Province, and by persons who have returned from that province within the past two weeks, that conditions are very unsatisfactory and that American properties, including mines and large sugar estates, have been threatened by revolutionists or by groups of marauding bandits.

It is felt that a continuance of these conditions might prove a serious menace to the safety of this country, and that should more sugar cane be destroyed and the shipment of the product of the mines be interfered with, a serious economic situation might develop in this country.

The National Council of Defense has stated to this Department that it considers that the production of sugar in Cuba is of the utmost importance to the United States and to the Allied Powers. It is believed that every possible step should be taken to safeguard the production of this commodity.

I therefore have the honor to request that you will be so good as to inform me whether it will be possible to despatch to Cuba in the near future, an adequate force from the United States Army to aid the Government of Cuba in the protection of the sugar properties and in restoring the Province of Oriente to peaceful conditions.

I have [etc.]

ROBERT LANSING

File No. 837.00/1326

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, May 11, 1917, 4 p. m.

Your April 29, midnight. Department has been given to understand by Navy Department that no further forces of marines are available for duty in Cuba. Does President consider that it would be a wise precaution to bring American troops to Guantanamo and does he request that this be done. If so this Government will give the matter its earnest consideration.

You will also give Department your views and those of the President as to the advisability of the issuance by this Government of a statement to be sent throughout Oriente Province to effect that as Cuba has now declared war against Germany and has aligned herself with the United States, the people of Cuba should set aside their political differences in face of international danger. That the United States will be forced to consider as its own enemies those persons in revolt against Constitutional Government, unless they immediately return to their allegiance.

LANSING

File No. 837.00/1348

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, May 13, 1917, noon.

Department's undated cable May 11 replying to mine April 29, midnight. Suggestion increase marine force Guantanamo made on statement by naval officer that 1,000 marines Haiti available, also in recognition numerous appeals from apparently frightened Americans for additional protection and on strength of representations of Consul at Caimanera and naval commander Guantanamo that American property on Guantanamo and Western Railroad exposed to destruction. From distance of 600 miles I am not warranted setting my judgment against these appeals. But President Menocal stated last night did not consider additional United States forces needed as

precaution. In view increased Government forces and activity that section with important surrenders past few days I consider such precaution much less important than appeared ten days ago.

Regarding second paragraph the President would, nevertheless, have suggested statement made. My opinion is that little politics in revolt Oriente and class of bandits not within reach of appeals to patriotism but that Department's statement would strengthen support of Government in cities and perhaps discourage conspirators in New York.

GONZALES

File No. 837.00/1351

Consul Griffith to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
Santiago, May 14, 1917.

Am advised by colonel commanding that rebel generals Vidal, Gonzales and Lopez surrendered yesterday to Government forces with about 2,000 men. Most effective blow towards ending revolution this province.

GRIFFITH

File No. 837.001M52/25

The Secretary of State to Minister Gonzales

No. 336

DEPARTMENT OF STATE,
Washington, May 14, 1917.

SIR: The Department has received your telegram of May 10, 10 p. m., regarding the official announcement at the President's house of the frustration of a plot to blow up the President of Cuba and yourself.

The Department desires to offer you its sincere congratulations on your fortunate escape, and instructs you to convey the congratulations of the Government of the United States to President Menocal in view of his escape from assassination.

I am [etc.]

ROBERT LANSING

File No. 837.00/1350

The Secretary of War to the Secretary of State

WAR DEPARTMENT,
Washington, May 14, 1917.

MY DEAR MR. SECRETARY: I have the honor to acknowledge the receipt of your letter with regard to the conditions in the Island of Cuba, which threaten serious injury to the sugar crop and consequent serious sugar shortage in this country.

The War Department is prepared to send a military expedition to the Island of Cuba of adequate size to deal with this situation and I would be pleased to be advised as to how large a force is deemed appropriate.

In this connection I beg leave to hand you herewith a copy of a statement made by General Marti, Chief of Staff of the Republic of Cuba, with regard to the situation in Oriente Province, based upon a telegram from President Menocal. It is General Marti's belief that the situation there is fully in hand and that no sort of assistance from the United States is necessary.

Awaiting the pleasure of your further information, I am [etc.]

NEWTON D. BAKER

[Inclosure]

Last week surrendered in Oriente 800 men with their leaders Ramirez Reyes, Rosello, Leon Guerrero, Leyte Vidal, Lorenzo Gonzalez, Juan Lopez and Manuel Balart. New surrenders are expected any time.

We have in Oriente:

Government forces

	Regulars		Militia	
	Officers	Enlisted	Officers	Enlisted
1st District (Santiago)	38	2,204	96	3,391
9th District (Bayamo)	28	833	32	1,728
	66	3,037	128	5,119

Total:

Officers.....	194
Enlisted.....	8,350
Machine guns.....	18

These forces garrison towns and important strategic places and operate in the field in detachments according to importance of rebel bands. These forces are gradually increased.

In re the revolution is completely under control, and any other information on the contrary is not true. You can state it so.

MENOCAL

The total of rebel forces in Oriente Province is about 1,400 to 1,500, of these only 500 armed. This information came also in the President's telegram.

JOSE MARTI,
Chief of Staff

File No. 837.00/1348

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, May 15, 1917, 3 p. m.

Your May 13, noon. War Department is prepared to send a military expedition to Cuba of a size adequate to take care of the situation. The Department regards the situation in connection with the production of sugar so necessary to the United States and the Allied Powers, as extremely serious. You are therefore instructed to present this matter again to General Menocal and to use your influence with him to induce him to agree to the sending to Guantanamo of a force of American troops in order to protect sugar production, which must not be interrupted.

These troops should be ostensibly sent to Guantanamo for purposes of training and could be in readiness to give protection to property and to enforce the proclamation of this Government.

In bringing this matter to President Menocal's attention you may say to him that this Government has every confidence in his ability to cope with the situation in Oriente Province, but that in view of the fact that so much depends upon a supply of sugar for the United States and for the Allies it desires to aid him in bringing peaceful conditions at the earliest moment to Cuba, and therefore it wants to cooperate with him.

You may also suggest to him that this action on the part of the United States would merely show the position which this Government has taken towards him and his Administration.

Report immediately by cable. Very urgent.

LANSING

File No. 837.00/1356a

DEPARTMENT OF STATE,
Washington, May 15, 1917, 4 p.m.

You are directed to hand the Cuban Government a copy of the following statement and say that you are authorized to make it public. A copy of this statement has been sent to the commanders of the American naval forces in Cuban waters, by navy radio, and you will communicate it to the American Consul at Santiago and to the other American Consuls and Consular Agents in Cuba and instruct them to make it public.

The declaration of war against the Imperial German Government, by the Government of Cuba, marking the entrance of Cuba, side by side with the United States of America into the conflict which is now being waged for the highest rights of humanity and in defense of principles of international law, has been received by the Government of the United States with feelings of deep appreciation and friendly pride.

Now that the Cuban and American peoples are even more closely bound together by lasting ties of common interest, the Government of the United States feels that it is incumbent upon it again to reiterate its many published statements concerning its attitude toward those Cubans who are under arms against the Constitutional Government and to add in emphatic terms that it considers that the time has now arrived when all internal political questions must be set aside in the face of the grave international danger.

In calling this to the attention of the people of Cuba, it is felt necessary to state that in the present war, in order to insure victory, Cuba, as well as the United States, has two great obligations, one military and the other economic. Therefore, as the Allied Powers and the United States must depend to a large extent upon the sugar production of Cuba, all disturbances which interfere with this production must be considered as hostile acts, and the United States Government is forced to issue this warning that unless all those under arms against the Government of Cuba return immediately to their allegiance it may become necessary for the United States to regard them as its enemies and to deal with them accordingly.

LANSING

File No. 837.00/1361

Consul Griffith to the Secretary of State

No. 236

AMERICAN CONSULATE,
Santiago, May 15, 1917.

SIR: Referring to my telegram of yesterday, I have the honor to advise the Department that Colonel Varona, in command of the military forces of this province, has officially confirmed the report of the surrender of the rebel generals, Leyte Vidal, Lorenzo Gonzalez and Juan Lopez, together with about 2,300 men.

This unexpected act on their part will have a most decided effect towards ending the revolution in this vicinity. In fact, the only two generals left of any reputation and operating in this section are Pitilli and Maso, both negroes. It is to be hoped that perhaps some conciliatory arrangements may be made with them also which may be instrumental in terminating the revolution and restoring normal conditions through this section without delay.

MERRILL GRIFFITH

File No. 837.00/1357

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, May 16, 1917, 11 p. m.

Your May 15, 3 p. m. On presenting matter to the President he stated that he would like Department to understand situation as to sugar. Because of rains all mills, except Chaparra, cease grinding normally between middle and end of May.

To-day's telegraphic reports show twenty-one mills, having output 4,145,000 bags, grinding. Ten mills having an output 960,000 bags temporarily stopped account of rain. No report from four mills having capacity of 305,000 sacks. One mill stopped permanently due to destruction cane. Not one mill is prevented from grinding by revolutionists.

Cuba Railroad manager reports that with completion one bridge tomorrow communication be reestablished between Camaguey and Antilla via Alto Cedro. Bridge between Alto Cedro and San Luis will be completed in two weeks opening communication with Santiago via Alto Cedro. On Southern branch communication be reestablished with Santiago end first week of June.

Guantanamo and Western Railroad runs daily trains between Guantanamo, Boqueron and Guantanamo and Los Ramos. Communication latter point and San Luis will not be established for ninety days due to lack of appropriate repair material.

It is only within last two weeks President says that he has been able to get sufficient forces into this section. Now he could send 2,000 additional men there but does not need them. On account of pacification elsewhere is disbanding part of the militia. He has now approximately 6,000 men in Eastern Oriente district and the capture of leaders with daily surrenders make him absolutely confident of quick disappearance of rebellion.

He would like Department to know the situation today before further consideration sending troops. Understands and appreciates fully spirit of offer and would not hesitate accept if any industry now appeared in need of protection which he could not furnish.

All telegraphic communication throughout Oriente reported reestablished and the President asks that any foreigners considering themselves or property in danger telegraph directly to him or to me with assurance of getting prompt consideration.

As stated in my May 13, noon, conditions in Oriente had improved. They are better today.

GONZALES

File No. 837.00/1357

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, May 18, 1917, 4 p. m.

Your May 16, 11 p. m. In view of unsettled conditions in Haiti commanding officer of the American forces in occupation has requested Navy Department to despatch to Haiti a further force of marines to reinforce his command. Navy Department informs this Department that only marine forces now available are those on duty in Cuba. Therefore Navy Department will withdraw these marines from Cuba to send them to Haiti, and Secretary of War has been requested to send to Guantanamo sufficient force to replace these marines and to remain in Guantanamo as reserve force for use wherever necessary. You will so inform President Menocal, explaining the reason for this action.

LANSING

File No. 837.00/1350

The Secretary of State to the Secretary of War

DEPARTMENT OF STATE,
Washington, May 18, 1917.

MY DEAR MR. SECRETARY: With reference to your letter of May 14, in which you state that the War Department is prepared to send a military expedition to the Island of Cuba, of adequate size to deal with the situation there, I have the honor to inform you that the Navy Department is in receipt of a telegram from General Cole, commanding the American forces of occupation in the Republic of Haiti, stating that in view of the unsettled conditions in that country, he is desirous of being reinforced, at the earliest possible moment, with a further body of marines.

The Navy Department has informed this Department that the only force of marines now available is that which is at the present time on duty in Cuba, guarding American property, and that it is desired to despatch this force of marines to Haiti at the earliest opportunity.

In view of the foregoing, and also of the necessity of replacing these marines with other American forces, it is requested that the War Department send immediately to the Island of Cuba a military expe-

dition composed of two regiments, in order that the marine forces may be relieved; that adequate protection may be given to American and other foreign property, and that should the Cuban Government so desire cooperation by the American forces may be extended to the Cuban Government troops, in order to bring about at the earliest possible moment the complete restoration of order in the provinces of Cuba affected by the revolt against the Constitutional Government.

I am [etc.]

ROBERT LANSING

File No. 837.001M52/28

The Cuban Minister to the Secretary of State

[Translation]

No. 60

CUBAN LEGATION,
Washington, May 21, 1917.

MR. SECRETARY: I have the honor to inform your excellency that on yesterday the 20th of May 1917, Messrs. Mario G. Menocal and Emilio Nuñez assumed the offices of President and Vice President of the Republic of Cuba to which they were respectively proclaimed by the National Congress to have been elected for the term of four years which will end on May 21, 1921.

I avail [etc.]

CARLOS MANUEL DE CÉSPEDES

File No. 837.00/1360

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana [undated; received May 23, 1917, 3 a. m.]

Reports from all over country show orderly celebration 20th May. Apprehension in Habana kept people indoors till afternoon when immense crowds joined in celebrating inauguration. No disorders or bad feelings. Today liberals of consequence called at Palace and congratulated President. No activity by insurgents or bandits anywhere today.

GONZALES

File No. 837.001M52/28

The Secretary of State to the Cuban Minister.

No. 152

DEPARTMENT OF STATE,
Washington, May 25, 1917.

SIR: I have the honor to acknowledge receipt of your note of the 21st instant, in which you advise the Department that on the 20th instant, Messrs. Mario G. Menocal and Emilio Nuñez, assumed the offices respectively of President and Vice President of the Republic of Cuba, to which they were proclaimed elected by the National Congress of Cuba for a term of four years, ending May 21st, 1921.

In reply I have the honor to ask that you will convey to your Government the congratulations of the Government of the United States, and to offer its best wishes to their Excellencies, Messrs. Menocal and Nuñez for the success of their administration.

Accept [etc.]

ROBERT LANSING

File No. 837.00/1376

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, June 3, 1917, 10 p. m.

Your June 2, 4 p. m. Having expressed himself as reported in my May 16, 11 p. m. replying to Department's offer May 15, 3 p. m. President said nothing to announcement in Department's May 18, 4 p. m. that troops would be sent to Guantanamo station except to repeat there would be no occasion call upon their services. He expected to relieve with regular troops all marines then guarding property. Conditions have improved daily since inauguration of the President and nothing to indicate Government needs assistance.

GONZALES

File No. 837.00/1386

Minister Gonzales to the Secretary of State

[Extract]

No. 459

AMERICAN LEGATION,
Habana, June 18, 1917.

SIR: With reference to the Department's circular instruction of May 28, 1917,¹ I have the honor to report as follows upon general conditions in Cuba:

1. The Cuban revolution, which has for seven months occupied the efforts of the Government, can now be considered entirely suppressed. Dr. Alfredo Zayas, the liberal candidate for the presidency has resigned as leader of the party and announces that he will return to the practice of the law. José Miguel Gómez, the active leader of the revolt, is still in prison awaiting trial. General Ernesto Asbert, former governor of Habana Province, who had been in jail for some time charged with rebellion against the Government, is now out on bail. He informs me that he opposed the revolution, that he will support President Menocal and aid in restoring good feeling among the Cubans. The troops under Colonels Varona and Pujol which have been operating in the eastern end of the island are said to have been recalled and are returning to Habana. Railroad communication has been reestablished with the exception of a short distance on the line of the Guantanamo and Western R. R. which is blocked on account of inability to rebuild bridges destroyed, for lack of material.

I have [etc.]

WILLIAM E. GONZALES

¹Not printed.

File No. 837.00/1394

The Acting Secretary of State to Minister Gonzales

[Telegram—Extract]

DEPARTMENT OF STATE,
Washington, July 12, 1917, 7 p. m.

Department's May 18, 4 p. m. Your May 16, 11 p. m. You will immediately request an interview with President Menocal and say to him that inasmuch as certain of its marine forces have been withdrawn by the Government of the United States from the Island of Cuba, for service in other places, it now contemplates sending of forces of the United States Army to replace these marines, but in view of relations now existing between the two countries, on account of their cooperation in the war against the Imperial German Government, it desires to take this action with his full understanding.

You will add that it is also considered to be of great importance to have these troops in Cuba at this time in case the United States forces in Haiti or Santo Domingo, or in any of the Caribbean possessions of the United States might need reinforcement, as well as for the purpose, of taking over the guarding of interests important for the prosecution of the war, upon which duty the marine forces are now engaged.

POLK

File No. 837.00/1395

Minister Gonzales to the Secretary of State

[Telegram—Extract]

AMERICAN LEGATION,
Habana, July 14, 1917, 10 p. m.

Your July 12, 7 p. m. received midnight July 13. Saw President at his country place today and presented matter. He gives his cordial approval.

The President also authorized me to offer United States sites for training camps in other parts of Cuba if it should be considered desirable to send troops to train in mild winter climate.

GONZALES

File No. 837.001M52/29

The Cuban Minister to the Secretary of State

[Translation]

No. 90

LEGATION OF CUBA,
Washington, August 10, 1917.

MR. SECRETARY: I have the high honor to place in your excellency's hands, together with this note, the autograph letter written to His Excellency, Mr. Woodrow Wilson, President of the United States of America, by the President of Cuba, with the request that you kindly forward it to its high destination.

I also have the honor to enclose the usual office copy of the said autograph letter.

I renew [etc.]

CARLOS MANUEL DE CÉPEDES

[Inclosure—Translation]

President Menocal to President Wilson

GREAT AND GOOD FRIEND: I have the honor to inform Your Excellency that as a result of the general elections that took place in the nation on the first of November last, I was proclaimed by the Senate and Chamber of Representatives assembled in Congress on the 7th day of the present month President of the Republic for the 1917-1921 term.

And having on this day taken the oath required by the Constitution to assume the exercise of the executive power, it affords me pleasure to assure Your Excellency that from the high post which I am called upon to hold by the vote of my fellow citizens, I shall invariably endeavor to have the friendly relations which happily exist between our two governments and countries grow more and more friendly.

I make sincere wishes for the prosperity of your nation and the personal happiness of Your Excellency of whom I am the Great and Good Friend.

Your Good Friend,

MARIO G. MENOCAI

PABLO DESVERNINE,
Secretary of State

Written at Habana, Palace of the Presidency, on the 20th of May, 1917.

File No. 837.001M52/29

The Secretary of State to the Cuban Minister

No. 167

DEPARTMENT OF STATE,
Washington, August 15, 1917.

SIR: I have the honor to acknowledge the receipt of your note of the 10th instant in which you enclose a letter, with office copy, addressed to the President by His Excellency the President of Cuba, announcing his election to the Presidency of that Republic and his assumption of his high office.

I have the honor to say in reply that I have laid President Menocal's letter before the President and that the latter's reply will shortly be transmitted through the American Minister at Habana.

Accept [etc.]

ROBERT LANSING

File No. 837.001M52/29

The Secretary of State to Minister Gonzales

No. 394

DEPARTMENT OF STATE,
Washington, September 6, 1917.

SIR: I enclose herewith, with office copy, a letter addressed by the President to His Excellency Mario G. Menocal, acknowledging the receipt of his letter of May 20 last in which he announced his assumption of the Presidency of the Republic of Cuba.

You will forward the copy to the Foreign Office and deliver the original in the manner most agreeable to His Excellency.

I am [etc.]

For the Secretary of State:

WILLIAM PHILLIPS

[Inclosure]

President Wilson to President Menocal

THE WHITE HOUSE,
Washington, August 22, 1917.

GREAT AND GOOD FRIEND: I have received the letter of the 20th of May last, in which Your Excellency announced your assumption of the Presidency of the Republic of Cuba and your entrance upon the duties of the office.

I cordially reciprocate the sentiments you express for the continuance of the friendly relations which have heretofore existed between the United States and Cuba, and I assure Your Excellency of my best wishes for your personal welfare and for the prosperity of the Republic over which you have been called to preside.

WOODROW WILSON

PROTECTION OF AMERICAN INTERESTS

File No. 337.11/169½

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, February 19, 1917, 6 p. m.

Counsel for Central Fe near Caibarien informs Department that cane scales and loading station at San Lorenzo destroyed by fire and working of mill prevented.

Inform Cuban Government of these conditions and request that adequate protection be given to American interests at this point.

LANSING

File No. 337.11/173

The Secretary of State to Consul Griffith

[Telegram]

DEPARTMENT OF STATE,
Washington, February 19, 1917, 6 p. m.

Investigate and report upon present condition of Cuba Railroad and as to what extent traffic is interrupted in Oriente and Camaguey Provinces. Can coal be landed at Santiago, and if landed can railroad safely transport it into the interior?

What is condition of tracks and bridges on Bayamo line and on Alto Cedro-Santiago line?

Also report as to whether sugar mills are running in Oriente Province and as to safety of American employees.

LANSING

File No. 337.11/170

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, February 20, 1917, 10 p. m.

Your February 19, 6 p. m. Had already reported matter to Government. Conditions changed for better as reported to-day by representative of company.

GONZALES

File No. 337.11/185

AMERICAN LEGATION,
Habana, February 26, 1917, 1 p. m.

Officials of the Cuba Railway report thirty thousand tons coal and sugar warehouses in terminals at Nuevitas and Antilla. Destruction of this coal would prevent operation of cane hauling railroads for thirty mills. They are afraid rebels driven out of Camaguey will use torch and believe presence of war vessels at those ports would save property.

GONZALES

File No. 337.11/217

The Secretary of Commerce to the Secretary of State

DEPARTMENT OF COMMERCE,
Washington, February 28, 1917.

SIR: We have received from The Cleveland Worsted Mills Company, Cleveland, Ohio, a letter stating that the company has at present outstanding accounts in Cuba amounting to many thousands of dollars and asking our advice as to the proper steps to take to protect its interests in the island. I understand that in an informal conference between officials of this Department and officials of the Department of State the point was made that an American firm whose property interests in Cuba were jeopardized by the disturbances there might appeal to the Cuban Government for protection of these interests, either through the American Minister or direct to the Government through its native agencies. It is also understood that while no one, of course, can predict the outcome of the present disturbances, it is believed that they have been localized and that the influence of the United States will probably operate to prevent their long continuance. We would be glad to have these points confirmed, or to be advised as to the information that may be given to the Cleveland concern to properly protect its interests in Cuba.

WILLIAM C. REDFIELD

File No. 337.11/203

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 1, 1917, 7 p. m.

Protection for the following properties, owned by Americans, is urged by those interested therein: Guantanamo and Western Railroad Company; Santa Cecilia Sugar Company; La Maya Valley Land and Improvement Company; Ermita Sugar Company; Confluente Sugar Company; Guantanamo City Land and Development Company, all located in Oriente Province.

You will request the Cuban Government to have these properties properly guarded.

LANSING

File No. 337.11/216

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 2, 1917, 9 p. m.

Department's March 1, 7 p. m. According to wireless from the Commander of U. S. S. *Eagle*, Central Senado, Camaguey Province, burned. Government information is that Santa Lucia, Oriente Province, and Por Fuerza, Matanzas Province, all right. Santa Maria, Oriente Province, is in rebel zone and no information procurable.

GONZALES

File No. 337.11/206

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, March 3, 1917, 7 p. m.

Francisco Sugar Company fear for safety of property sugar estate Francisco at Guayabal, Cuba, and lives of employees.

You will request of Cuban Government its proper protection of this plantation. Owners state that up to now absolutely no protection has been afforded by the Cuban authorities, horses and stores having been stolen by the insurgents.

LANSING

File No. 337.11/207

DEPARTMENT OF STATE,
Washington, March 3, 1917, 8 p. m.

Francisco Sugar Company report to Department the destruction by fire of enormous quantities of cane. They state that absolutely no protection has been given them and make urgent appeal for safety of American lives and property.

You are instructed to demand of the Cuban Government that immediate and adequate protection be given these and other American properties menaced by the insurgent forces.

Report fully to Department result of your efforts.

LANSING

File No. 337.11/227

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 5, 1917, 11 a. m.

Department's March 3, 8 p. m. This property is in rebel zone out of reach of Federal communication. Government promises protection after taking Santiago. February 26 U. S. S. *Pennsylvania* reported landing two companies marines to guard wharf and factory eleven

miles inland. No report of their withdrawal. My opinion that is three thousand soldiers could protect all of the mills in the disturbed provinces but fifty thousand could not prevent cane fires so long as insurgents are determined to destroy.

GONZALES

File No. 337.11/235

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 6, 1917, 3 p. m.

Department is informed that on February 18 Federal troops fired on the residence of W. W. Craib, at the Jatibonico plant of The Cuba Company, while there were sheltered there British and American women and children.

You will investigate and report fully by cable to the Department.

LANSING

File No. 337.11/217

The Secretary of State to the Secretary of Commerce

DEPARTMENT OF STATE,
Washington, March 7, 1917.

SIR: I have the honor to acknowledge the receipt of your communication of February 28, 1917, relative to the interests in Cuba of the Cleveland Worsted Mills Company, of Cleveland, and requesting information as to the protection of American property interests in Cuba during the present disturbances.

In reply I have the honor to inform you that the American Minister at Habana has been instructed to request the protection of the Cuban Government for such American properties as are reported to be in particularly dangerous locations, and also all other American interests affected by the present disturbance. Some of these properties are located in the rebel zone and are cut off from communication by the Federal Government, rendering it impossible to obtain any information concerning them at present. The sections affected by the revolt are in Oriente, Camaguey and Santa Clara Provinces, and to this extent the revolt is localized.

The State Department is cooperating with the Navy for the purpose of protecting in every possible way all American interests affected by the revolt, and so advised Mr. F. L. Roberts, Secretary of the Cleveland Chamber of Commerce, on March 1, 1917, in reply to his letter written the Department in the interests of the Cleveland Worsted Mills Company.

I believe nothing further can be added to the assurance contained in the Department's letter to Mr. Roberts.

I have [etc.]

ROBERT LANSING

File No. 337.11/248

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 9, 1917, noon.

Your March 6, 3 p. m. Secretary of State informally notifies me thorough investigation incident ordered by the President two weeks ago. Responsibility will be fixed and full report made as soon as possible. Meantime, Craib being a British subject, British Minister filed complaint, and Cuban Government expressed regret.

GONZALES

File No. 337.11/252

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, March 10, 1917, 3 p. m.

Guantanamo Sugar Company advise resumption of burning and destruction of property their estate which is isolated. They urgently appeal for instant protection for property and lives of employees.

You are instructed to urge upon Cuban Government the need for immediate and adequate guard for this property.

LANSING

File No 337.11/259

DEPARTMENT OF STATE,
Washington, March 11, 1917, 4 p. m.

Consul at Santiago reports by cable dated March 10 great destruction of cane fields, railroad bridges burned, state of anarchy in vicinity Santiago. American lives reported threatened. States city officials probably will resign and leave city without any government. Thinks marine force should be increased.

French Consul reports destruction French sugar mills and asks for protection from United States Government. Inform President Menocal of these conditions and cable immediately what steps he will take to afford protection to foreign property. Question of sending further American forces for protection lives and interests is being considered.

LANSING

File No 337.11/260

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, March 12, 1917, 11 a. m.

Last midnight succeeded in getting body fifty regulars to start from Nuevitas to La Gloria for the protection of isolated and apprehensive American colony.

GONZALES

File No 337.11/268

AMERICAN LEGATION,
Habana, March, 12, 1917, 7 p. m.

American administrator of Punta Alegra Sugar Mills, Camaguey, belong to Atkins, together with Lieutenant of Federal forces, went to meet rebel leader to receive his surrender. Neither have returned. Atkins says rebels [omission] as ransom. Have notified naval commander and Cuban Government has sent two detachments cavalry.

GONZALES

File No. 337.11/267

AMERICAN LEGATION,
Habana, March 13, 1917, 1 p. m.

Your March 11, 4 p. m. The only French mill property in that section is the Central Union owned by José Rousseau. It is not burned and was grinding today.

Colonel Betancourt, commanding considerable government forces at San Luis, reports quiet in that district.

GONZALES

File No. 337.11/287½

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, March 13, 1917, 6 p. m.

Your March 12, 11 p. m. [a. m.] You will ask General Menocal if he realizes the extent of destruction of American and other foreign property in Cuba, and inquire if he is in a position to give adequate protection to all foreign property to prevent further losses. You will impress upon him the utmost necessity for the earliest restoration of peaceful conditions throughout the island, and that the action of this Government is contingent upon his reply to these questions.

Your March 12, 6 p. m.⁷ Does suggestion contained in last sentence come from you or from Cuban Government? The Department has been given to understand that the landing of United States troops would tend to increase disorder and destruction of property and that action is against the wishes of the Government of Cuba. Report by cable.

LANSING

File No. 337.11/264

DEPARTMENT OF STATE,
Washington, March 13, 1917.

Francisco Sugar Company, 112 Wall Street, New York, states that cane burnt on their property represents loss of over 2,200,000 dollars. They request further protection for their property, and are filing claim against Government of Cuba. Bring this matter attention of President Menocal and request Cuban Government give protection to this property.

LANSING

File No. 337.11/265

DEPARTMENT OF STATE,
Washington, March 12, 1917.

Manati Sugar Company, 110 Wall Street, New York, states impossible to communicate with their properties at Manati. Fear destruction of property and interference with operation and that they are receiving no protection from Cuban Government. Bring urgently attention of President Menocal and request protection for this property.

LANSING

File No. 337.11/282

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, March 14, 1917, 11 a. m.

My telegram of March 12, 7 p. m. Van Patton, American Administrator Punta Alegre, has been released.

GONZALES

File No. 337.11/285

AMERICAN LEGATION,
Habana, March 14, 1917.

Your 13th. Had already given attention American interests Manati which is isolation peaceful times, no abnormal fires reported and Government force now in vicinity.

GONZALES

File No. 337.11/286

AMERICAN LEGATION,
Habana, March 14, 1917.

Your 13th. Heavy losses at Francisco occurred two weeks ago. Cuban troops now there.

GONZALES

File No. 337.11/288

AMERICAN LEGATION,
Habana, March 15, 1917, 1 a. m.

Your March 13, 6 p. m. The President answered that the Secretary of State and a delegation representing great investments in Cuba would this week furnish the Department with information and give it another view of the American investor. He declared that losses did not reach five per cent of cane and were greatly exaggerated. With over two hundred mills these had lost heavily: in Oriente—Palma and Union. In Camaguey—Senado, Francisco and Jobabo. In Santa Clara—Steward, Jatibonico and Narcisa. In Habana—Matanzas, Pinar del Rio—no loss. At most of these mills President said that cane belongs to Colonias, principally Cubans; there had been other fires in Colonias tributary to number of other mills; there were now no cane fires in five of the six provinces and the Cuban Government was just taking hold in Oriente. A hundred thousand men could not prevent cane burning, but he expected to end revolutions which would stop such burnings for all time.

The suggestion referred to in last paragraph of the Department's March 13, 6 p. m. came from me. No one in or out of Government circles has intimated to me that such action by the United States would tend to increase disorder. It is illogical to suppose that it would have such an effect. I understand that the Government would not object but wishes fair opportunity to show ability to accomplish task unaided. I regard the President as probably unduly optimistic. Whether he can succeed in Oriente as quickly as in other provinces is a question upon which there is yet no sound basis for judgment. Unquestionably strong expectations of compromise were raised by the conferences at Santiago. This may have important bearing on action by the rebels.

GONZALES

File No. 337.11/279

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, March 15, 1917, 3 p. m.

American interests owning Compañía Química de la Gloria at Colombia, Camaguey Province, request protection for its property, damaged and threatened with destruction. Large stores of general merchandise and provisions have been confiscated.

You are instructed to demand adequate protection for these American interests from the Cuban Government.

LANSING

File No. 337.11/282

DEPARTMENT OF STATE,
Washington, March 16, 1917, 6 p. m.

Your telegram March 14, 11 a. m. Investigate and report immediately as to conditions at Punta Alegre plantation; whether Government troops are giving protection and if mills are grinding.

LANSING

File No. 337.11/302

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 17, 1917, 2 p. m.

Your telegram March 16, 6 p. m. Owner here yesterday talked with me, President and commander of military forces of his district. The Government promised to send more troops this morning. I received telephone from the Consular agent at Caibarien saying that young Atkins at Punta Alegre alarmed fearing attack from Spanish bandit; they wish marines. He reported all mills except his grinding. I gave information to the Navy and informed the President. He telegraphed immediately commander of military district. Owner of the place says this menace is from an old Spanish bandit with ninety followers.

GONZALES

File No. 337.11/313

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, March 22, 1917, 5 p. m.

Atkins and Company report insurgents burning cane on Soledad plantation near Cienfuegos; request protection of property. You will demand of Cuban Government necessary force prevent further destruction on this plantation.

LANSING

File No. 337.11/350

DEPARTMENT OF STATE,
Washington, March 27, 1917, 8 p. m.

Cuba Company reports to Department 1,500 rebels visited Jobabo, Oriente Province March 18, looting and destroying property, threatening destruction to mill. American and British employees in danger. Have no reports since eighteenth.

Investigate as to conditions at Jobabo, and advise Department what efforts Cuban Government is making for protection there.

LANSING

File No. 337.11/357

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 27, 1917, 11 p. m.

Official Cuba Company reported to-day destruction 25,000,000 arrobas cane at Jobabo, Oriente Province, on 18th. He asked protection mill and 60,000 bags sugar stored there. Cuban Government reports forces arriving Jobabo to-day.

President Menocal says on 10th instant he despatched troop of cavalry to protect Jobabo. It was met at Elia ten miles from mill by the manager who requested soldiers to remain at Elia as he felt sure safety of property having agreement with rebels they would not destroy cane if he proceeded to Francisco where there were marines and asked for American intervention. Soldiers complied.

GONZALES

File No. 397.11/384

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, March 30, 1917, 5 p. m.

Attorney for United Fruit Company has received following telegram from the vice president of the United Fruit Company, of the Nipe Bay Company and of Saetia Sugar Company, which companies have sugar properties near Banos and Preston:

The Cuban Government forces are not giving protection to Nipe but appear to be guarding special interests. American marines are acting as town guard at Preston. Everything else at mercy of rebels. We are saving cane by paying what rebels exact. If marines are withdrawn mill and everything will be destroyed. Rebels camping around Mayari are making exorbitant demands on the Nipe Bay Company with threats to burn if demands are not satisfied. Manager Harty of Banes wires same conditions continue and he is without proper protection.

The attorney for these companies has requested that you inform Cuban Government of the situation and require of it adequate protection for these properties. You will bring this immediately to attention of the Cuban Government.

LANSING

File No. 337.11/391a

DEPARTMENT OF STATE,
Washington, March 31, 1917, 3 p. m.

On March 28, Commander U. S. S. *Eagle* stationed Manati reported to Navy Department that Fernandez with four hundred men had burned Bartle and manager of Manati Company had received a threatening letter from him. Locomotive engineer was killed. Officer in command reports that it is necessary to obtain either amnesty, a guaranty of fair elections or that a force large enough to afford protection be sent at once by the Government of Cuba.

You will immediately take this up with President Menocal and insist in no uncertain terms that he immediately dispatch adequate forces to give the necessary protection to American interests at Manati. You will further say to him that inasmuch as he has assured the Government of the United States on repeated occasions that he is capable of putting down the rebellion and of giving ample protection to lives and property of foreigners he must undertake immediately to give such protection.

LANSING

File No. 337.11/390

DEPARTMENT OF STATE,
Washington, March 31, 1917, 5 p. m.

It has been reported great damage has been done Cuban Railroad Company line between Santiago and San Luis and San Luis and Marti. The Department is disturbed, as we understand that the censorship is so strict that no information is getting through.

LANSING

File No. 337.11/388

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, March 31, 1917, midnight.

Your March 30, 5 p.m. Government promises regular cavalry sufficient for protection will reach Nipe Bay Sunday night.

GONZALES

File No. 337.11/389

AMERICAN LEGATION,
Habana, March 31, 1917, midnight.

Your March 31, 5 p.m. Great damage done to Cuban Railroad as several times reported.

Rigoberto Fernandez destroyed property at points named weeks ago. Those points now under control of the Government and repairs supposed to have commenced.

GONZALES

File No. 337.11/392

AMERICAN LEGATION,
Habana, April 1, 1917, midnight.

Your March 31, 3 p.m. Direct conflicting reports from *Eagle* and Government as to burning of Bartle. Government in telegraphic communication with that point today and report says nothing has occurred there; also commander of two hundred cavalry arriving at Bartle makes no mention of damage. I requested Government to order commander of troops arriving at Manati today to call on Commander *Eagle* and furnish information.

Federal troops scattered several bands rebels vicinity Manati today killing eighteen.

GONZALES

File No. 337.11/411a

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, April 3, 1917, 6 p.m.

Navy Department reports wireless message from U. S. S. *Machias* that Alto Cedro Sugar Company have decided to abandon their property and requested escort of marines for employees to Preston. Government troops attacked revolutionists last night pumping station Spanish American Mining Company.

U. S. S. *Eagle* requests more forces to protect American lives and property at Bartle. Rebels operating near Runati. Landing force to protect mills and property at Batey. Burning Galbis and Bartle contrary to orders of Caballero. Guard furnished by U. S. S. *Paducah* March 28 for Cobre Mine and Agua Dores bridge.

LANSING

File No. 337.11/411b

DEPARTMENT OF STATE,
Washington, April 7, 1917, 6 p.m.

You are instructed to insist that the Cuban Government furnish protection for American colony at Omaja and also open communications with that place in order that information may be obtained regarding conditions there. This must be done immediately.

Report to Department by cable result of your efforts and what information you can obtain regarding welfare of Americans at Omaja.

LANSING

File No. 337.11/412

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, April 10, 1917, 1 a. m.

Your April 7, 6 p. m. Railroad repaired to Omaja, trains running to Las Tunas ten miles west. Permanent military guard now stationed American settlement. Another detachment entering district ordered to clear surrounding country of rebels or robbers.

Have received a letter from Omaja. People suffered theft of horses and supplies. One youth reported whipped by rebels. Has been most isolated place Cuba and totally unprotected account destruction railroad bridges for hundred miles east and west.

GONZALES

File No. 337.11/440

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, April 16, 1917, 2 p. m.

Department is informed from several sources that condition of American settlers at La Gloria, Riverside, Garden City, Palm City, Canet Minas near Camaguey is desperate; that rebels are robbing food supplies, horses, ammunition and threatening burn houses. You are requested to make immediate and urgent demand of Cuban Government for protection of these colonists.

Report by cable.

LANSING

File No. 337.11/420

DEPARTMENT OF STATE,
Washington, April 16, 1917, 4 p. m.

Report forwarded from Santiago states that Miranda properties are in the hands of rebels, stores pillaged and threats of destruction of mills may be effected any moment; that Government troops in force went to Palmarito but most of them returned to Santiago. Number of rebels in vicinity. Attitude of Government troops reported to be inexplicable as no attempt has been made to protect Miranda and local towns in spite of continued requests to military authorities. The report concludes with the statement that the rebels openly declare their contempt for the Government troops.

You are instructed to inquire of Cuban Government whether it is informed as to the actual situation in the locality mentioned. Report by cable.

LANSING

File No. 337.11/449

DEPARTMENT OF STATE,
Washington, April 17, 1917, 5 p. m.

Inform President Menocal immediately that Department has received information that plant of Holguin Exploration Company, at

Aguas Claras, near Holguin, is in danger of destruction by rebels. Ask that Cuban Government afford immediate protection and that regular troops be sent to guard this American company's plant.

LANSING

File No. 337.11/445

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, April 17, 1917, 9 p. m.

Your April 16, 2 p. m. There are Government troops stationed at each one these places except Canet. C. C. Reasoner, American, who recently went to La Gloria to bring mother Habana, reports protection given by Government to that section showed calm apprehension. Trains run through Minas every day. I have not only asked for protection for alarmed American colonies but where it was possible physically to get protection have not rested till it was provided. Most of the robbery was before communication could be established. Isolated houses will be in danger while robber bands exist.

GONZALES

File No. 337.11/447

AMERICAN LEGATION,
Habana, April 17, 1917, 10 p. m.

Your April 16, 4 p. m. Cuban Government contends that being in direct telegraphic communication with Palmarita, Palma, and other towns in that vicinity, is thoroughly informed. No town or village occupied by rebels. On report that large rebel force was near Palmarita two troops cavalry were sent from Santiago. Report declared unfounded and troops returned.

Miranda is not a town but site of sugar factory under construction three miles from Palmarita. Last Sunday Mr. Snare of Snare and Frieste, contractors building mill, reported to me their workmen needed protection, the place having been raided previous Wednesday and a skirmish fought in vicinity. Immediately asked the President for protection. He promised it. There is a troop cavalry in Palmarita. Sunday night I notified contractor of protection promised and asked to be informed if it were not given.

There are a number of rebel bands in hills of this section which have doubtlessly looted country stores and houses. Colonel Varona is active against them.

GONZALES

File No. 337.11/444

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, April 18, 1917, 4 p. m.

Department informed that Miranda properties threatened with destruction as they are wholly unguarded despite urgent appeals for protection; that a large rebel force is now burning properties Baso

Estancia and destroying Bayate bridge worth 100,000 dollars; and that the Federal troops are either unable or unwilling to protect that district.

Place this information before President Menocal and demand immediate correction of existing conditions. Report by cable.

LANSING

File No. 337.11/456

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, April 19, 1917, 10 a. m.

Your April 17, 5 p. m. President reports guard regulars at Exploration Company's plant.

GONZALES

File No. 337.11/452

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, April 19, 1917, 1 p. m.

Bethlehem Steel Company advise Department of report from its manager that anti-American feeling very strong among rebels, that the mines are practically without adequate protection as marines are kept constantly moving and that Cuban Government cannot end trouble without substantial assistance.

You will communicate this information to President Menocal and ascertain why ample and permanent protection is not furnished these properties. Report by cable.

LANSING

File No. 337.11/450

DEPARTMENT OF STATE,
Washington, April 20, 1917.

American Consul Santiago reports interior conditions not improved; that Santiago de Cuba is full of American refugees; that everything on plantations of Cuba Company is destroyed, Paso Estancia burned and managers Palmarito reported expecting destruction of their property any moment. He states the Government troops are there but they are insufficient for protection. Present these facts to Menocal Government and report to Department attitude Cuban Government in this connection. You may say to President Menocal that this Government insists upon adequate protection for these properties.

LANSING

File No. 337.11/465

DEPARTMENT OF STATE,
Washington, April 20, 1917.

United Fruit Company report to Department that 2,000 rebels have camped on the borders of their property and seem to be in aggressive mood.

You are instructed to inform the Cuban Government of the foregoing and request that such troops as may be necessary be sent to the location for its proper protection.

LANSING

File No. 337.11/461

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, April 21, 1917, 11 p. m.

Personal representations and urgings for protection were made immediately in compliance with Department's April 17, 5 p. m., April 18, 4 p. m., April 19, 1 p. m. today. In view of the report to Department from Consul at Santiago and report to Department by United Fruit Company forwarded to me 20th, I presented memorandum to the President recapitulating allegations of danger and destruction expressing concern of the Department in reported inability of Government to control situation.

The President expressed belief in purpose of interests in Oriente Province to embarrass unwarrantably this Government by gross misrepresentations. All that any government could do was being done. Revolutionists in Oriente had become bandits and were being pursued and punished. In fleeing from one place to another they looted. This was an unavoidable state that no force could prevent during the process of hunting down the bands. Meantime he said that protection was being given to interests.

The Holguin Exploration was protected. Bridge at Bayate not destroyed, only a wooden approach burned. Baso Estancia, a place of three houses, had suffered from robbers. Some of Bethlehem Steel Company's mines guarded by marines, one by Cuban troops. He had given orders for their full protection and considered safe.

Report by Consul at Santiago that everything on plantations Cuba Company destroyed most misleading to the Department. Jobabo only plantation of company in province. No damage since March 18 and strong Government force now there. Palmarito is guarded and military authorities consider protection sufficient. Same as to Miranda. The President said his personal properties in this immediate neighborhood and he is not alarmed.

He could give reasonable protection but could calm apprehension only by running down the bandits and this he was doing with energy and according to his best military judgment.

The President denied that either 2,000 or 200 rebels were camped about the United Fruit Company's places and showed reports from Colonel Loris in charge there to sustain denial.

Reenforcements are going to Oriente Monday. Within a week 1,000 troops from Camaguey will probably be sent there. Meantime the army is making progress in a most difficult character of campaign.

GONZALES

File No. 337.11/463

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
 Washington, April 24, 1917, 4 p. m.

Your April 21, 11 p. m. Consul Santiago reports April 22 to Department that American refugees report interior conditions worse; that more marines needed protect iron and copper wharf, bridges and property, and intelligence service for protection of harbor and radio communication with naval station. Requests American war vessel remain at Santiago.

LANSING

File No. 337.11/482

Consul General Rodgers to the Secretary of State

No. 1261

AMERICAN CONSULATE GENERAL,
 Habana, April 30, 1917.

SIR: I have the honor to acknowledge receipt of various instructions of the Department relating to the welfare of certain Americans in the Province of Oriente, Cuba, these instructions being based upon inquiries received by the Department from friends of the persons in question. In general reply I beg to state that it has been reported to the American Minister and myself that absolutely no harm has come to any of the Americans who were in the revolutionary district of Cuba, and therefore it is to be assumed that all of the people mentioned in the instructions of the Department referred to are well.

Mail communication with Oriente Province is still somewhat interrupted, and therefore it may take some time to get specific information as to the various people named. On this account I make the general statement contained in the preceding paragraph. I will, however, address letters to those named, and in the event of receiving replies will promptly inform the Department.

I have [etc.]

JAMES L. RODGERS

File No. 337.11/485

Consul Griffith to the Secretary of State

[Telegram]

AMERICAN CONSULATE,
 Santiago, May 6, 1917.

Consular agent Guantanamo reports burning and sacking Olimpo, Palmarejo and Belona. Yesterday buildings Citero iron mines known Nimanima, Government chart, burned. Government forces fled. *Machias* left breaking communication with naval station. Captain marines reports two thousand armed rebels near Daiquiri. Mining properties and wharf here inadequately protected, need war vessel and five hundred additional marines immediately. Very urgent.

GRIFFITH

File No. 337.11/478

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, May 7, 1917, 7 p. m.

Department informed by representative large American interests in Oriente Province that Cuban Government is not giving protection against destruction by rebels along railroad; that Cuban officers evidently fear to take their soldiers out Guantanamo; that on May 2 word was received by cable to the effect that work at Belona and Marco Sanchez on railroad line was stopped on account of the situation; that repeated requests for adequate protection for Belona have been unavailing and without protection all houses and *bateys* would be destroyed. He states further that he received a cable on May 3 from the same source that the fears entertained were well based as the stores, houses and other property at Belona and Josephina were burned by the rebels.

You were instructed to take this up at once with the Cuban Government with the idea of obtaining full and proper protection.

LANSING

File No. 337.11/485

The Secretary of State to Consul Griffith

[Telegram]

DEPARTMENT OF STATE,
Washington, May 8, 1917, 6 p. m.

Your telegram of 6th. *Machias* now returning to Santiago.

When cabling information to Department send duplicate by wire to Legation at Habana.

LANSING

File No. 337.11/505

The Secretary of State to Minister Gonzales

[Telegrams]

DEPARTMENT OF STATE,
Washington, May 17, 1917.

Person and property Irving L. Fisher at Victoria de Las Tunas are said to be in imminent danger from insurrectionaries. Take matter up with Cuban State Department, request that all possible steps be taken to insure safety of Fisher and his property, and report regarding matter.

LANSING

File No. 337.11/521

DEPARTMENT OF STATE,
Washington, May 25, 1917.

Melchior, Armstrong and Dessau Incorporated, New York, state they have been advised that bandits have looted Central San Antonio,

Guantanamo and have taken cash and goods from stores. As American representatives of said Central they desire that property be protected from further losses. Investigate matter and, if property in question is that of American citizens, request extension of adequate protection thereof. Report.

LNASING

File No. 337.11/523

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, May 25, 1917, noon.

Reports to the Department appear disingenuous. Miranda mill not yet built. Palmarita stopped account rains which also stopped grinding at Palma, President Menocal's property adjoining. Wet cane cannot burn, but no rebel activity reported that section excepting surrenders.

GONZALES

CONTROVERSY BETWEEN THE COMPAÑIA DE LOS PUERTOS DE CUBA (CUBAN PORTS COMPANY) AND THE GOVERNMENT OF CUBA, GROWING OUT OF THE CANCELLATION OF THE COMPANY'S CONCESSION WITH THE CUBAN GOVERNMENT BY THE PRESIDENT OF CUBA. GOOD OFFICES OF THE UNITED STATES

EDITORIAL NOTE.—A Concession was granted to the Compañia de los Puertos de Cuba (Cuban Ports Company) by the law of February 20, 1911, to perform dredging work and carry out improvements in the ports of the Republic. Under this law the existing tonnage and port dues were greatly increased, and the amounts so collected were to be paid over to the company for a period of 30 years.

The Government of the United States, under provisions of Article II of Appendix to the Constitution of Cuba, which article also constitutes Article II of the Treaty of May 22, 1903, between the United States and Cuba,⁸ objected to the requirement of the concession that a specified portion of the ordinary revenues, derived from the import tonnage tax, be paid over to the Cuban Ports Company regardless of whether or not such revenues were necessary to defray the current expenses of the Government, and suggested that the concession be amended.

The concession was amended by a new contract made between President Gomez of Cuba and the Cuban Ports Company on May 13, 1913 in pursuance of Executive decree No. 510, dated May 12, 1913. This decree being considered illegal by President Menocal, was annulled by Executive decree No. 246, of June 18, 1913, and the matter reverted to its original status.

On August 4, 1913, President Menocal signed Executive decree No. 522 stating that the law of February 20, 1911, required the Cuban Ports Company to organize in accordance with Cuban law, that the company had failed to so organize and that it could no

⁸ For. Rel. 1904, p. 243.

longer be regarded as a concessionaire, and directing the Secretary of the Treasury to withhold from the company the port dues thereafter collected, directing the Secretary of Public Works to take charge of all the works performed by the company and directing the Secretary of Justice to take steps to have the charter of the company by judicial procedure declared null and void.

The Cuban Ports Company appealed to the courts against the constitutionality of Executive decree No. 522 and on October 6, 1913, the Supreme Court of Cuba denied the appeal.

The case was before the Courts of Cuba until near the close of the year 1915, when the following correspondence ensued.

File No. 837.156/197a

The Secretary of State to Chargé Scholle

[Telegram]

DEPARTMENT OF STATE,
Washington, October 12, 1915, 7 p. m.

Department is informed that suit of the Cuban Ports Company is scheduled for twenty-first instant.

Apparent desire of President Menocal to reach a settlement along lines of reason and equity, while safeguarding the financial and moral reputation of Cuba, prompts Department to render him all proper assistance in his worthy effort. If a decision against the company should be reached the present Administration could not appear to make concessions to the company, whereas if the decision reversed the Government's former attitude, the Administration would suffer loss of prestige. It does not therefore appear that pressure of pending suit would aid that settlement in the spirit in which the President is understood to desire it, but might easily occasion embarrassment. While the Department has no intention or desire to intervene in Cuban court proceedings, it would be gratified if it might see the present legal status maintained, at least until the President's efforts for amicable settlement on behalf of Cuban interests and of the investors involved, have proved futile.

You will, therefore, informally advise the Foreign Office in this sense, with a view to obtaining, if possible, an adjournment of the case and, at the same time, discreetly according the President the support of this Government, which he is understood to consider essential to the accomplishment of his plan of settlement. Minister Gonzales suggests that, in addition, a copy of your memorandum be sent to the President in a personal communication.

For your confidential information, the potential attitude of the British bondholders, as expressed through the British Embassy, might prove embarrassing to Cuba and onerous to this Government, in the event of decision being rendered in the pending suit.

Report by cable.

LANSING

File No. 837.156/199

Chargé Scholle to the Secretary of State

[Telegram]

AMERICAN LEGATION,

Habana, October 19, 1915, 11 p. m.

Called on the President unofficially and urgently requested his acceptance of Department's suggestion to postpone Ports Company case set for 21st. He said that he had referred matter to the Secretary of Justice and would have his private secretary write me as to the result of decision. Said note, received this evening, sets forth that the President believes that he must insist on the trial of the case being expedited as he desires an impartial decision as to the value and justice of his decree. He further says that if the court decides in favor of the Government, as he hopes, it will not influence in the slightest degree his intention to harmonize the interests of the State with the legitimate interests involved in the Ports Company transaction.

British Minister has instructions to support any action the Department may consider advisable. Awaiting instructions.

SCHOLLE

File No. 837.156/199

The Secretary of State to Chargé Scholle

[Telegram]

DEPARTMENT OF STATE,

Washington, October 20, 1915, 5 p. m.

Your October 19, 11 p. m. Inform President of Cuba that the Department's attitude as expressed in its telegram of October 12, 7 p. m. was reached as a result of representations made to this Government by the British Embassy on behalf of British security holders and by the Ports Company which desires postponement of trial only until a conference may be held within a month between the counsel for the company and for the bondholders and Minister Gonzales, with a view to seeking some amicable solution mutually satisfactory to all concerned, and to which the Cuban Government may properly accede. To these considerations may be added the belief and hope of the Minister himself, as stated to the Department, that some such solution can thus be attained, as well as the Department's consistent desire to assist the Government of Cuba, if not incompatible with its wishes, in reaching such solution and thus avoiding the complications and embarrassments of litigation and inevitable diplomatic pressure by Governments whose subjects are affected.

LANSING

File No. 837. /207

The British Ambassador to the Secretary of State

BRITISH EMBASSY,

Washington, November 3, 1915.

DEAR MR. SECRETARY: In a memorandum dated October 14¹ you were so good as to inform me that telegraphic instructions had been

¹Not printed

sent to the American Chargé d'Affaires at Habana asking him to inform the Cuban Government that while entertaining no intention or desire to intervene in the proceedings of the Cuban courts the Department of State would be gratified if the trial of the pending suit of the Cuban Ports Company might be postponed and the present legal status maintained, at least until the efforts of the President of Cuba to effect a settlement mutually satisfactory to Cuban interests and to the investors, had proved futile.

On October 20 the President of Cuba received His Majesty's Minister and assured him, as he had done on previous occasions, of his determination to come to an equitable settlement with the investors in the company whatever the decision of the Supreme Court might be, but stated that he felt he could not interfere with the action of the Court. Señor Menocal explained to Mr. Leech that his position would be much stronger after the case had been heard by the Supreme Court and that he could then obtain the support of certain elements whose present opposition was due to self-interest.

Whilst the reiterated assurances of President Menocal to come to an amicable understanding show his good intention; His Majesty's Government would be grateful if, in the probable event of the decision of the Supreme Court being adverse to the company, the United States Government would see fit to continue to use their good offices in bringing about a settlement of this question favourable to the bondholders and stockholders.

You will understand that it is naturally the sincere desire of my Government as evidenced by the attitude of Mr. Leech, who has consistently cooperated with his American colleague in affording the President of Cuba every opportunity of arriving at an amicable settlement, to avoid being placed in the position of having to address to the Cuban Government any formal protest or demand which might cause embarrassment in the premises both to the Cuban Government and to the United States Government.

I am [etc.]

CECIL SPRING RICE

File No. 837.156/207

The Secretary of State to the British Ambassador

DEPARTMENT OF STATE,
Washington, November 6, 1915.

MY DEAR MR. AMBASSADOR: I beg to acknowledge the receipt of your note of the 3d instant, relative to the question of the Cuban Ports Company, and I note with appreciation your expression of the desire of your Government, as evidenced by the attitude of the British Minister in Cuba and your own, to cooperate with this Government in an endeavor to afford the President of Cuba every opportunity of reaching an amicable settlement of the matter.

The Department awaits information from the Legation at Habana, as to the nature of the decision in the suit and, in the event of a verdict adverse to the company, in compliance with your suggestion, it will endeavor to continue the exercise of its good offices in this connection.

I am [etc.]

ROBERT LANSING

File No. 837.156/209

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, November 22, 1915, 2 p. m.

Court renders decision against Cuban Ports Company leaving company without standing. Five days before copy decision obtainable.

GONZALES

File No. 837.156/211a

The Acting Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, November 27, 1915, 4 p. m.

Your November 22, 2 p. m. The Department is unofficially advised that a continuation of the present status of Cuban Ports matter has unfortunately proven so detrimental to Cuban credit that the bankers are disinclined, until an equitable settlement of this case is reached, to consider a further loan, which it is understood that Cuba may now desire to obtain, even though considered as part of that approved by the Department on September 5, 1913.

While the Department has every confidence in the sincerity of the President of Cuba in his desire to reach an equitable settlement of this matter as particularly stated by him in your telegrams of October 19, 11 p. m., it is of the opinion that an intimation by you to the effect that this Government shares this apprehension as regards the credit of Cuba, may expedite the proposed settlement. You may, therefore, in your discretion, communicate the substance of the above to President Menocal, leaving with him, if deemed desirable, a memorandum thereof.

Confidential. The Department is further unofficially advised that the bankers have already informed the President of Cuba in the sense of the above. It is not impossible that this pressure in addition to the fulfillment of this instruction may materially assist him in obtaining the desired congressional support in order to conclude the settlement which he proposes.

POLK

File No. 837.156/223a

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, February 29, 1916, 5 p. m.

Report by cable latest developments Cuban Ports Company matter.

LANSING

File No. 837.156/225

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 9, 1916, 2 p. m.

Department's March 2, 6 p. m.¹ Called on the President yesterday and made him acquainted with Department's earnestness and views. He has a little hope of congressional action this week. If he fails he wishes, as final lever to use on congress, a formal advisory note to this Government. On account of Supreme Court decision his advisors believe revocation of decree would not stand legal test.

As time presses I advise that Department immediately send note strongly urging action in support of the President's program, emphasizing the large British interests and British pressure upon the Department, also referring to Department's information that number of congressmen are refusing action in expectation of private gain and giving Department's opinion of disaster to Cuban credit and reputation abroad should such attitude of congressmen be made public. This line would be in my opinion most effective and cause the least irritation.

GONZALES

File No. 837.156/225

The Acting Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 15, 1916, 7 p. m.

Your March 9, 2 p. m. and previous correspondence. You will address to the Minister for Foreign Affairs a note the body of which should be textually as follows:

The effect that a continuation of the present status of the Cuban Ports Company matter may have upon the international credit and reputation of Cuba, for which this Government feels a peculiar solicitude, has, for some time afforded this Government grave concern. The manifest desire of the President of Cuba, as repeatedly indicated to this Legation, that an equitable settlement of this matter be reached has until now encouraged the belief in the possibility of such solution. As I had occasion to indicate, however, to His Excellency the President on the 8th instant, the preponderating British interest in the securities of the company and the reiterated expression to my Government through official channels of the desire of the British Government that a settlement be reached, tends to increase the apprehension that unless some such solution be soon found, diplomatic pressure which my Government may find itself unable further to prevent, may be exerted upon your excellency's Government.

In addition the information communicated by the company's representative, and which, should the good offices of this Government prove futile, the company states that it intends to make public, to the effect that certain members of the Cuban Legislature are reported to have refused action in expectation of private gain, renders the present situation fraught with menace.

In view of these considerations, I am directed by my Government, which is actuated solely by a desire to continue to extend your excellency's Government all assistance, advice and encouragement as may properly lie within its power now to reiterate its earnest hope that His Excellency the President may immediately obtain the Congressional support necessary to the fulfillment of his plan of settlement.

POLK

¹Not printed.

File No. 837.156/226

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, March 22, 1916, 1 p. m.

Department's March 15, 2 p. m. Secretary of State replies that he informed the President in person of importance of note and that for the purpose of terminating matter the President proposes to appoint immediately a commission of three lawyers to make fresh study of the subject and determine what the Executive may do within his powers.

This Government appreciates at its true high value the offer of assistance and the friendly cooperation of the United States and regrets that it has not been able to proceed with celerity. Parliaments however are dilatory everywhere. The convincing purpose of the Government to secure settlement is shown by the President's message to Congress and the passage of the bill by the Senate. It is incomprehensible what grounds there can be for diplomatic pressure by the British Government in a matter where the action of this Government has been confirmed by the highest court of the country and in respect to a company that court has decided did not conform to the laws.

Respecting what is said of certain members of Congress the Government can only proceed in so important and serious a matter with proof in its possession. These should be given by the company.

The President continues to occupy himself hoping that sooner or later he can reach a solution in compliance with law, justice and equity.

GONZALES

File No 837.156/226

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, March 24, 1916, 5 p. m.

Your March 22, 1 p. m. Department is unofficially advised that the commission to study Cuban Ports matter has three months in which to report. Cable briefly your opinion as to the present status of this matter, both political and otherwise and whether this apparently dilatory procedure may be expected to achieve results.

LANSING

File No. 837.156/228

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, May 10, 1916, 4 p. m.

Your 319, March 24. Department unofficially informed that Ferrara has prepared and submitted to other members of the commission, independent report on Cuban Ports matter, showing various methods by which settlement might be reached.

In view of time elapsed since date of decree, you may discreetly inquire as to what progress has been made in this matter.

LANSING

File No. 837.156/230

Minister Gonzales to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, May 27, 1916, noon.

In the matter of Ports Company. Last Wednesday I called upon President with British Minister regarding Ports Company matter. He said that committee would report findings that afternoon. Saw him again yesterday; he said that committee had not yet reported but would do so in a day or two; that two members were in accord and that Ferrara's report would be incorporated as minority report and that both would be published in *Official Gazette*. He said that he had not seen majority report but understood it held action of Congress necessary to settlement. I am convinced President has no intention of accepting responsibility in the matter before November elections and is evading the issue. I feel also that publication of Committee report would make it more difficult to come to a settlement and might precipitate publication of Ports Company's charge of venality of Congress.

Have come to believe that Congress has been kept in ignorance of Department's active desire for settlement and that if the President summoned the members of the lower House before him and told them if they did not open the way for settlement as did the Senate the United States would indorse or validate a plan for settlement over their heads, they would cease to demand money for votes.

If the Department cares for my presence at Washington I shall be in Columbia, South Carolina, on Tuesday and Wednesday.

GONZALES

File No. 837.156/231

Chargé Scholle to the Secretary of State

[Telegram]

AMERICAN LEGATION,
Habana, June 2, 1916, 11 a. m.

Supplementing telegram of May 27, noon. The majority report of the committee appointed by the President is published in the *Official Gazette* to the effect that Ports Company settlement is for Congressional action and as according to the decision of Supreme Court the company has no legal existence, therefore the Government is not liable for either the bonds or stock issued by the company.

SCHOLLE

File No. 837.156/232

The Attorney for the Cuban Ports Company to the Secretary of State

NEW YORK, June 7, 1916.

SIR: I have the honor to confirm, as briefly as possible, my conversation of yesterday with Mr. J. Butler Wright, [Chief of the Division of Latin American Affairs] relating to the existing relations between the Government of Cuba and the Cuban Ports Company.

It now appears from the majority report of the commission appointed by Presidential Decree No. 369 of March 1916, and from the reports of our clients in Cuba, which have been confirmed by the American Minister at Havana, that the President of Cuba no longer intends to carry out his promises for an equitable settlement of the claims of the stockholders and bondholders of the Cuban Ports Co. and that there is no possibility of securing any settlement through the Cuban Congress, and we beg to respectfully request the good offices of the State Department as hereinbelow outlined. In order that our specific requests, and the grounds upon which they are made, may be better understood, we will briefly rehearse some of the facts leading up to the present situation :

Subsequent to the organization of the Cuban Ports Co., and the passage of the Law of February 20, 1911, imposing a ports tax, the proceeds of which were to be devoted to certain ports improvements to be carried on by the Cuban Ports Co., the company applied to a group of London bankers for a loan of six million dollars. Under date of May 12, 1911, Messrs. Kleinwort Sons & Co. of London in a letter addressed to the Department of State of the United States inquired as to the validity of the contract made between the Government of Cuba and the Cuban Ports Co. The Department answered under date of June 9, 1911, criticizing the terms of the agreement, which were characterized in that communication as: "wasteful and against the best interests of Cuba." The operation of the contract between the London bankers and the Cuban Ports Co. was thereupon suspended, and representatives of the company called upon the then Secretary of State with a view to eliminating, if possible, the objectionable features in the existing contract. As a result of many conferences, and special investigations conducted by the State Department, the Secretary of State addressed a letter to the Cuban Ports Co. under date of June 11, 1912, which read in part as follows:

With reference to the question of the validity of the contract under the Platt Amendment, however, you are informed that this Government has called to the attention of the Government of Cuba, the fact, which is apparent from the nature of the concession itself, that as it seriously affects the ability of the Cuban Government to defray the expenses of administration if deprived of these revenues, which are given over under the concession for a period of thirty years to your company, it is necessary, in order to remove this objection, that the concession should be modified so that if such revenues are needed at any time during the period of the concession, the Government of Cuba should have the right to terminate it upon terms which are just and fair, and again be placed in a position to avail itself of the revenues to be derived from the port duties.

This Government, in view of your fair attitude and expressed willingness to have your bondholders and stockholders agree to the modifications suggested, has reason to feel that the objectionable features of the concession can be eliminated by the agreement between your company and the Government of Cuba.

Negotiations then followed between officers of the Cuban Ports Co. and officials of the Government of Cuba with a view to agreeing upon the language of an amendment as suggested in the letter of the Secretary of State above quoted from.

Under date of March 1, 1913, the Secretary of State wrote to the Cuban Ports Co. enclosing a copy of a letter of instructions forwarded to the American Minister at Havana on the subject of the modifications in the terms of the Cuban Ports Co. agreement.

We quote from this letter of instructions as follows.

The Ports Improvement Company having been informed of the views of the Government of the United States * * * has indicated its willingness to adopt as a substitute for its former proposal an amendment to the concession in the following terms:

The Government of Cuba shall have the right at any time to take over the operation of the Cuban Ports Company by purchasing all the outstanding stock of the Cuban Ports Company at a just and equitable valuation to be fixed by three appraisers and approved by the Government of the United States, such appraisers to be appointed by the Government of the United States upon the request of the Government of Cuba, one being nominated by the Government of Cuba and one being nominated by the Cuban Ports Company, such valuation to be fixed by a majority of the appraisers in case of disagreement among them.

A new contract was immediately entered into between the Government of Cuba and the Ports Company confirmed by Presidential Decree 510 of May 12, 1913, from which we quote as follows:

Whereas: The Cuban Ports Company has also agreed with the Government of Cuba that: The Government of Cuba shall have the right at any time to take over the operation of the Cuban Ports Company by purchasing all the outstanding stock of the Cuban Ports Company at a just and equitable valuation to be fixed by three appraisers and approved by the Government of the United States, such appraisers to be appointed by the Government of the United States upon the request of the Government of Cuba, one being nominated by the Government of Cuba and one being nominated by the Cuban Ports Company, such valuation to be fixed by a majority of the appraisers in case of disagreement among them.

It should be noted that the language quoted is practically identical with that suggested by the Secretary of State of the United States.

By a letter from the Cuban Ports Co. addressed to the American Minister at Havana, dated May 15, 1913, the Department of State was informed of the compliance of the Cuban Government and the Ports Company with the Secretary of State's instructions above quoted from. Receipt of this letter was acknowledged by the American Minister under date of May 26, 1913, and the request was made at the same time for a copy of the original Spanish text in order that it and the translation might be forwarded to the Department of State for its information.

It clearly appears from the foregoing that the Government of the United States intervened in the matter of a contract between the Cuban Government and the Ports Company; that this intervention was specifically based upon the terms of the permanent treaty between the United States and the Republic of Cuba—usually referred to as the Platt Amendment; that, as a result of such intervention, the original contract, or concession, was modified to comply to the letter with the demands of the American Government.

Shortly after the facts above related, it transpired that President Menocal (the present incumbent) was elected as President of Cuba. By Decree 246 under date of June 8, 1913, he purported to cancel and annul the terms of the amendment to the contract between the Cuban Government and the Ports Company; which amendment had been adopted (as above stated) at the special instance and request of the United States Government.

Subsequently, and on August 4, 1913, the President issued his Decree 522 declaring that the Cuban Ports Co. was never legally organized, and purporting to cancel and annul the agreement then existing between the Cuban Government and the Ports Company. The terms of this latter decree have been the subject of much corre-

spondence between ourselves and the State Department, and its terms are so familiar that it is unnecessary here to specifically refer to them.

Since that time, the Government of Cuba has continued to collect a port tax as provided by the law of February 20, 1911; but the proceeds of the tax have not been applied for the purposes provided in that act. It is the contention of the stockholders and bondholders of the Ports Company that this action on the part of the Government of Cuba, as represented by its President, amounted to a "taking over of the operations of the Cuban Ports Company" by the Government of Cuba, and that this was done in total disregard of the terms of the contract of May 1913 and the decree of May 12, 1913.

On behalf of our clients (the bondholders and stockholders of the Cuban Ports Co.), we respectfully request the Secretary of State to inform the Government of Cuba as follows:

That the terms of the amendment to the original contract with the Cuban Ports Co., as set forth in Presidential Decree of May 12, 1913, were adopted at the special request of the United States, based upon the language of the permanent treaty known as the Platt Amendment.

That it is the right and duty of the Government of the United States to insist, upon the same grounds, that the terms of that amendment be complied with.

Accordingly the Government of the United States must insist on the carrying out of the said agreement. In order to do this, and that the Government of Cuba may legally complete the taking over of the assets and operations, including the concession granted to the Ports Company, which is evidently the purpose of the Cuban Government, the Government of Cuba will, within thirty (30) days from the receipt of this notice, nominate one of the three appraisers, as provided for in the said agreement, who shall fix a just and equitable valuation of the outstanding stock of the Ports Company to be purchased and paid for by the Government of Cuba. The bonds and other obligations of the company to be assumed by the Cuban Government as in said agreement provided.

We believe that the above correctly confirms the conversation of yesterday between Mr. Paul Fuller, Jr. and Mr. J. Butler Wright, and beg [etc.]

PAUL FULLER, JR.

File No. 837.156/235

The British Ambassador to the Secretary of State

No. 179

BRITISH EMBASSY,
Washington, June 22, 1916.

SIR: I have the honour to inform you that I am in receipt of a telegram from Secretary Sir Edward Grey stating that the Cuban Ports Company understand that their legal advisers in Washington have urged on the Department of State that they should require the Cuban Government to purchase the undertaking on the basis laid down in the modified concession of 1913.

Sir Edward Grey desires me to say that the purchase of the undertaking by the Cuban Government would appear to be a very good solution of this long outstanding question.

I have [etc.]

CECIL SPRING RICE

File No. 837.156/239

The Cuban Minister to the Secretary of State

[Undated *aide mémoire* left at the Department by the Cuban Minister July 13, 1916]

The law of February 20 [1911], known as the Port's Improvement Law, having granted a concession to a corporation supposed to be organized according to the precepts of the laws of Cuba and known as the Cuban Ports Company for dredging and improving certain ports of Cuba establishing that the company should conform to specifications of said law regarding its organization, and other conditions which, after certain modifications met with the approval of the State Department then concerned in the sense that said concessions should not affect Article II of the Treaty of May 22, 1903, between Cuba and the United States, apart from any question as to the validity of the concession to be conclusively determined by the Cuban courts;

The Cuban Government having found later that it had contracted with a corporation which had not conformed to the laws of Cuba for its organization as demanded by the Law of the Concession, and, therefore, that said company could not be considered as legally entitled to the concession as embodied in the act passed by the Cuban Congress on February 20, 1911;

The Cuban Government revoked Decree No. 510 of President Gomez by Decree No. 246 of President Menocal which revokes the concession to the so-called Cuban Ports Company, the position of the Government of the United States being, in this case, that the question of the legality of President Menocal's decree was one to be decided solely by the appropriate Cuban authorities.

The Cuban courts acting in this matter of their lawful jurisdiction, in a suit brought by the so-called Cuban Ports Company against the administration, declared said company to be an illegally organized corporation and sustained Decree No. 246 of President Menocal.

It is, therefore, very fundamental to establish whether or not an illegally organized corporation can create obligations and responsibilities to the Cuban Government through its contracts and negotiations with third parties, as it appears equally fundamental to know how far and to what extent any diplomatic action arising as a consequence of claims against the so-called Cuban Ports Company can be justly pressed by any power against the Cuban Government, and endorsed by the Government of the United States, after the taking of a sentence by the Supreme Tribunal of Cuba, by which all the reasons of Decree No. 246 of President Menocal to revoke the concession and to cease payments to the so-called company were amply confirmed, said company having been found to be not a corporation organized to conform with the laws of Cuba.

It is assumed from the urgent recommendations of the United States Minister in Habana, that if the United States Government endorses the pretensions of Great Britain in the emphatic manner in which

they have been recommended by the American Legation, it is because this Government is possessed of special knowledge of the question, and, in this case, it would be useful to know the opinion of this Government in face of the sentence of the Supreme Tribunal of Cuba.

In the meantime, no arguments on the merits of the question having been adduced either by the American Government or by the Government of Great Britain, to justify the responsibility of the Cuban Government, and the jurisdiction of the Cuban courts having been reiteratedly recognized as the competent one to decide on the propriety of the contracts and the legality of the concession no reason appears to contradict why it should not be considered that the legal status of the corporation also is a question submitted exclusively to the courts of Cuba that have already passed upon the matter, even to and by a sentence of the highest court which is the Supreme Tribunal, instituted by the United States in Cuba during the first intervention and subsequently sitting under the provisions of the Cuban Constitution.

File No. 837.156/237

The Acting Secretary of State to Minister Gonzales

No. 235

DEPARTMENT OF STATE,
Washington, July 31, 1916.

SIR: The Department has received your despatch No. 348 of June 19, 1916,¹ in which you review developments in connection with the existing difficulties between the so-called Cuban Ports Company and the Government of Cuba growing out of the cancellation of the Company's contract with the Cuban Government by the President of Cuba.

Since the issuance by the President of Cuba of his decree of August 4, 1913, cancelling the company's contract, the Department has, as you are aware, viewed with increasing concern the failure of President Menocal and of other competent Cuban authorities to take any satisfactory steps looking to a final satisfactory settlement of these difficulties. In view of this Government's friendly interest in the welfare of Cuba and in view particularly of this Government's apprehension that the attitude of the Cuban Government in this matter would seriously impair the credit of Cuba, the Department instructed you to use your good offices with a view to bringing about a satisfactory and amicable adjustment of the case. The efforts made by you in accordance with these instructions have apparently proved unavailing.

The Department regrets that the friendly advice of this Government, the representations which the Department understands have been made to the Government of Cuba by the British Government in behalf of the owners of the beneficial interest in the Cuban Ports Company, and the fact that the cancellation of the company's concession has apparently created a situation fraught with possibly serious consequences to Cuba have all failed to prompt the Cuban Government to abandon its attitude of inaction respecting the matter of effecting a settlement of the case, and earnestly to take suitable steps looking to such a settlement, and the Department desires

¹Not printed.

that you address a communication, to which you will request an early reply, to the Cuban Foreign Office in the sense of the following:

Under instructions from my Government I have the honor to present to you certain considerations respecting the difficulties that have arisen between the Government of Cuba and the so-called Cuban Ports Company, growing out of the cancellation of the company's contract with the Cuban Government by the President of Cuba.

Following the issuance of President Menocal's decree of August 4, 1913, representations were made to this Government by owners of the beneficial interest in the company who being aware of the interest which this Government had taken in the contract just mentioned sought its assistance in protecting their interests. My Government's good offices were also solicited by the Government of Great Britain with a view to the protection of British investors in the company. And requests for assistance were also received from American citizens whose interests were incidentally affected by the cancellation of the contract.

To these requests and representations this Government replied in effect that they would receive due consideration if a situation should arise in the future in which the case should become the subject of diplomatic discussion between this Government and the Government of Cuba, and that it was understood that the latter had in contemplation the matter of effecting through judicial proceedings or otherwise an adjustment of the questions which arose out of the cancellation of the company's concession. When it appeared that no satisfactory steps were being taken to bring about such an adjustment, my Government, in view of its friendly interest in the welfare of Cuba and in view particularly of its apprehension that the attitude of the Cuban Government in this matter would seriously impair the credit of Cuba, instructed me to tender its good offices to the Cuban Government looking to an amicable arrangement satisfactory to all parties whose interests were affected by the cancellation of the concession.

You are doubtless aware that on more than one occasion the President of Cuba has assured me of his earnest desire that the rights of all the parties affected by his decree of August 4, 1913, should be protected, and that proper steps should be taken looking to that end. These assurances having been brought to the attention of my Government and of the holders of the securities of the Cuban Ports Company were relied upon by them in good faith. From time to time measures have been initiated in the Cuban Congress for the declared purpose of vesting in the President of Cuba power to effect a settlement of the case. Nevertheless, after the lapse of approximately three years no effective steps have been taken to bring about an arrangement to deal in a suitable manner with the situation created by the President's decree cancelling the company's concession. And my Government is now in possession of an *aide mémoire*, recently delivered to it by the Minister of Cuba at Washington during the course of an interview which he had with the Department with reference to the Cuban Ports Company, in which it is pointed out that the Cuban courts have declared, in a suit instituted by the Cuban Ports Company, that the company is an illegally organized corporation and in which it is stated that it

"is, therefore, very fundamental to establish whether or not an illegally organized corporation can create obligations and responsibilities to the Cuban Government through its contracts and negotiations with third parties, as it appears equally fundamental to know how far and to what extent any diplomatic action arising as a consequence of claims against the so-called Cuban Ports Company can be justly pressed by any Power against the Cuban Government, and endorsed by the Government of the United States,"

and, further, that it

"is assumed from the urgent recommendations of the United States Minister in Habana, that if the United States Government endorses the pretensions of Great Britain in the emphatic manner in which they have been recommended by the American Legation, it is because this Government is possessed of special knowledge of the question, and, in this case, it would be useful to know the opinion of this Government in the face of the sentence of the Supreme Tribunal of Cuba."

My Government directs me to inform you that it cannot undertake at this time to discuss the matters referred to in the Minister's *aide mémoire*, but that it feels warranted, in view of all the facts and circumstances of the case under consider-

ation, to request that it be furnished with a definite statement on the part of the Cuban Government as to its present attitude with reference to the controversy existing between it and Cuban Ports Company.

However, my Government desires me to point out at this time that, following the enactment by the Cuban Congress of the act known as the Ports Improvement Law, which authorized the creation of the Cuban Ports Company, this Legation was directed to inform the Cuban Government that the Government of the United States regarded as objectionable, under the provisions of the treaty concluded between the two Governments on May 2, 1903, the stipulations of the company's concession providing for the payment to the company of a specific portion of Cuban revenues derived from the import tax provided for by the Cuban law just mentioned, whether or not such revenues might be necessary to defray the expenses of the Cuban Government; that it appeared possible to obviate this objection by amending the terms of the company's concession so as to permit the use of this import tax for current expenses if at any time it should be needed for that purpose; and that the desired result might perhaps be accomplished by an amendment to the concession giving the Cuban Government the right to take over the operation of the Cuban Ports Company by purchasing all the outstanding stock of the company at a just and equitable valuation to be fixed by three appraisers. It appears that this Government's suggestion was adopted by the Cuban Government and by the company, the company's contract being amended in accordance therewith.

The holders of the securities of the company have represented to my Government that the act of the President of Cuba in cancelling the company's concession is a taking over of the operation of the Cuban Ports Company by the Government of Cuba within the meaning of the amendment of the company's concession just mentioned, and that, therefore, it is incumbent on the Cuban Government, under existing circumstances, to take steps to have appraisers appointed in order that the company's outstanding securities may be purchased at a just and equitable valuation to be determined by appraisers named in accordance with the terms of the contract.

My Government, without desiring at this time to enter into any discussion as to the legal rights of the parties to the contract in question under the terms thereof just mentioned, desires me to point out that the Cuban Government, inasmuch as it has, acting through its President, terminated the company's concession, would appear to be in a position at once to take steps to effect a satisfactory solution of the existing regrettable difficulties between itself and the company by promptly instituting the proceedings suggested by the holders of the company's securities.

I am [etc.]

FRANK L. POLK

File No. 837.156/232

The Acting Secretary of State to the Attorney for the Cuban Ports Company

DEPARTMENT OF STATE,
Washington, July 31, 1916.

SIR: The Department is in receipt of your letter of June 7, 1916, in which you review the situation respecting the difficulties that have arisen between the Cuban Government and the so-called Cuban Ports Company growing out of the cancellation of the company's concession by the President of Cuba, and in which you request that this Government further employ its good offices with a view to bringing about an adjustment of these difficulties.

You call attention to an amendment to the company's contract, the substance of which was suggested by this Government, which provided that the Cuban Government should have the right at any time to take over the operation of the company by purchasing all its outstanding stock at a just and equitable valuation to be fixed by

three appraisers and you state that it is the right and the duty of the Government of the United States to insist that the terms of that amendment be now complied with by the Cuban Government.

While observing that the Department cannot admit your expressed views to the effect that any such rights and duties devolve upon it because it suggested the incorporation into the contract of the amendment just referred to, which as you are aware was proposed by this Government with a view to obviating an objection that certain stipulations in the company's contract might conflict with the treaty concluded between this Government and Cuba, May 22, 1903, the Department may inform you that it has recently sent to the American Minister at Habana a comprehensive instruction looking to a satisfactory settlement of the case along the line indicated in your letter. In this instruction the Minister was directed to say, among other things, that this Government, without desiring at this time to enter into any discussion as to the legal rights of the parties to the contract under the terms of the amendment in question, desires to point out to the Cuban Government that inasmuch as it has, acting through its President, terminated the contract, it would appear to be in a position at once to take steps to effect a satisfactory solution of the regrettable difficulties existing between it and the company, by promptly instituting the proceedings suggested by you in behalf of the holders of the company's securities.

I am [etc.]

FRANK L. POLK

File No. 837.156/240

Minister Gonzales to the Secretary of State

No. 368

AMERICAN LEGATION,
Habana, August 25, 1916.

SIR: I have the honor to enclose herewith a translation of a note, dated August 22, from the Cuban Secretary of State, replying to my note of August 7, relative to the matter of the Cuban Ports Company, addressed to him in pursuance of the Department's instruction No. 235 of July 31, 1916.

I have [etc.]

WILLIAM E. GONZALES

The Cuban Secretary of State to Minister Gonzales

[Inclosure—Translation]

No. 124

DEPARTMENT OF STATE,
Habana, August 22, 1916.

MR. MINISTER: On the 7th instant this Department received your excellency's note⁹ relative to the matter of the so-called Cuban Ports Company, transmitting the instructions which in regard thereto were sent you by the Government of the United States.

Due to the absence from Habana of the President of the Republic when that note was received, reply thereto has been retarded, since, naturally, this Department did not care to undertake to answer it without first submitting the matter to the consideration of the President, not only because he is the head of the Executive Power and the First Magistrate of the nation, in whom the Constitu-

⁹ Not printed. See Department's instruction No. 235 of July 31, 1916, *ante*.

tion vests the direction of diplomatic negotiations, but because of the references to the President which are made in your excellency's note. Accordingly, not until Monday, the 14th instant was the matter submitted to the President at a meeting of the Cabinet, and after a study of the note and examination of all the facts relating to the matter of the Cuban Ports Company, it was decided to draft a reply in the terms in which I now have the honor to do.

In the first place I must express to the Government of the United States the pleasure with which the Government of Cuba views its zealous interest not only in the credit of the Republic but to avoid diplomatic controversies with another nation which might, as stated in your excellency's note, be fraught with serious consequences for Cuba; but, as a matter of fact, if the antecedents and facts which enter into this matter of the Ports Company are closely studied, it will be observed that the acts of the Government of Cuba in this matter have in no wise affected the credit of the Republic, which is as flourishing or more so than in the best of times, nor can any diplomatic complications be feared in the confident assurance that calm discussion of this matter will certainly result in convincing all that the acts of the Government of Cuba with reference to the aforesaid company are firmly grounded not only in the law of Cuba but in the laws of all countries, and therefore the Government of Cuba sees no reason why it should be subjected to censures which it certainly has not deserved.

It is true that the President of the Republic has on more than one occasion expressed his keen desire for finding a basis of amicable arrangement with those who lent their money for the work performed by the Cuban Ports Company, and I can assure you, and prove to you, that the President has not procrastinated in this matter.

Decree No. 522, in which the President ordered suspension of payments which were being made to the aforesaid company, and reference to the courts for ventilation of all questions relating to the validity of a corporation which, contrary to the laws of the land and more especially to the provisions of the very act of February 20, 1911, was not organized in accordance with the laws in force in Cuba, was issued on the 4th of August 1913, and from that moment began the activities of the company against that decree, entering first a suit in which the constitutionality of the decree was attacked and which was lost in the Supreme Court, and subsequently a contentious-administrative suit and another suit in the courts of ordinary jurisdiction brought by the bondholders.

Of these suits there is still pending decision of that brought by the bondholders; the suit brought by the company in the contentious-administrative court having been decided against the company and in full confirmation of the aforesaid decree of August 4, 1913; and it can be assured that in these suits it has been the company principally which has retarded their course, doubtless because the company deemed it advantageous to its interest to do so. Indeed in this Department a memorandum was received from your Legation, dated October 13, 1915, conveying the suggestion that the question be allowed to remain in *status quo*, that is to say, without decision by the courts, while the matter of a friendly arrangement between the interested parties was considered; and the company itself not only requested the suspension of trial in the courts, but on some occasion preferred a similar request to the President himself.

Notwithstanding that the various suits brought in this matter were pending determination by the courts, the President of the Republic viewed with pleasure and encouraged as far as possible the presentation in one of the Houses of Congress of bills purporting to authorize him to settle definitely all questions relating to the Ports Company, and to provide even for the indemnity in proper measure, on grounds of grace and equity, those who had in good faith lent their money to the company for its work.

After the Supreme Court had rendered its decision of November 8 last, confirming in all its parts the decree of August 4, 1913, issued by the President of the Republic, the President assumed the initiative in this matter, addressing, only two months after the date of the decision of the Supreme Court, a message to Congress recommending, among other things relating to the Ports Company, a determination whether, for reasons of grace and equity, Congress deemed it proper to compensate in some measure those who had lent their money to the company. The pertinent part of that message reads as follows:

"The need for making some provision for the circumstances arising from the aforesaid decree and from the Supreme Court decision to which I have referred, has not escaped the recognized wisdom of the legislative power; and consequently a bill in this connection was introduced in and passed by the Senate and is now pending action by the House of Representatives.

"It is not my purpose now to discuss and advance an opinion upon this bill, which, doubtless, is predicated upon motives and reasons of justice on one hand, and on the other hand of grace and equity, which are fundamental and should not be lost sight of; my view being that, in this sense, that is to say, upon the broad basis of its most general lines, legislation may be enacted which, in the judgment of the honorable Congress, should conduce to accomplish the object which, as concerns the dredging and improvement of harbors, was sought in the act of February 20, 1911, and moreover, if indemnity, on grounds of grace and equity, of those who in good faith lent their money for the performance of the aforesaid works of dredging and harbor improvements, provision may be made for the adoption of proper measures for such compensation in the manner and to the extent which may be deemed just and reasonable.

Presidential Palace, Habana, 21 January 1916."

The interviews and conferences which, after sending this message, the President had, at his own instance, with Representatives and Senators for the purpose of reaching some agreement in regard to the indemnities which, if proper, might be granted on grounds of grace and equity to those who lent their money for the company's work, are of public knowledge. And, latterly, in view of the fact that at such conferences no definite arrangement was reached, the President appointed a commission to determine what the Executive could himself do in this matter, the majority of the commission holding, in their opinion dated May 30 this year, that only with the cooperation of Congress could anything substantial be accomplished in this matter, for on his own accord or on his own authority the President could do nothing by way of settlement.

From the foregoing it will be seen that the President has been active in his efforts to accomplish some result, even before the decision of the Supreme Court was rendered, but much more so after that decision was rendered, and I have to say, with the President's authority, that he is still dealing with the matter, though the summer season and the proximity of the general elections make it difficult for Congress to meet in order to consider and take action upon the matter.

I cannot but cite a fact which is of decisive importance in this matter, namely, that only the suit on constitutionality brought in the Supreme Court and the contentious-administrative suit brought by the company have been definitely decided, both of course against the company, and that there is pending decision not only the suit brought by the bondholders, now in the Supreme Court, but also the suit to determine the nullity or forfeiture of the charter or instrument of organization of the Cuban Ports Company brought by the public prosecutor, which, as previously stated, has not yet been determined.

These two suits are of capital importance in this matter, but of much greater importance is that brought by the public prosecutor, in which the question is to be decided specifically whether the company's corporate instrument shall be declared null or forfeit; for this Department particularly wishes to invite your excellency's attention to the quite important point that the President, in his above-mentioned decree of August 4, 1913, did not declare that instrument null and void, nor much less decree what in your excellency's note is termed the cancellation of the concession. What the President did in that decree was to declare that, since the act of February 20, 1911, provided that the Cuban Ports Company should be organized in accordance with the laws of Cuba in order that it might receive the concession, and said company was not organized in accordance with the laws of Cuba, the Government could no longer continue making the payments which under that act were to be made to the company, and that consequently the Secretary of Justice should take appropriate action in the courts to obtain a judicial decree of nullity or forfeiture and, in a proper case, to procure the punishment of anyone guilty of crime in connection with the organization and other acts of the company.

The Supreme Court decision of November 1915 was confined to a confirmation of the grounds of the President's decree; declared the payments properly suspended and upheld the other provisions of the decree. It is in the other suit above-mentioned where the Government of Cuba, through the public prosecutor as its legal representative, seeks a decree of nullity or forfeiture of the corporate instrument of the company—the suit in which it is to be definitely settled whether such nullity or forfeiture is proper. The present legal status is this: the decree of August 4, 1913, has, as stated, been confirmed by the Supreme Court, because the court holds that the company was not in fact organized in accordance with the laws in force in the Republic as required by the concession act of February 20, 1911.

It will be seen, therefore, that the question involved is not as to the concession, nor as to whether those who lent their money to the company did so in view of a concession granted by an act of Congress, but as to whether the concession was in fact granted to those to whom the act directed that it should be granted, namely, the Cuban Ports Company, which in order to obtain the grant should be organized in accordance with the laws of Cuba, and it seems clear that if that company did not conform to the laws of Cuba and organize in accord therewith, it could not and ought not to have been held to be the concessionaire.

The statement in your excellency's note relative to the bondholders having represented to the Government of the United States that the occasion seems to have arisen to assume that the Government of Cuba has taken over the operation of the company, and that steps should be taken to appoint appraisers to determine the value of the securities of the company with a view to the purchase thereof by the Government of Cuba, seems to be an error on the part of the bondholders, since the Cuban Government has in no wise contracted the obligation to make such purchase of the securities of the company in any case, and much less in the present case, in which it has not taken over the operation of the company but has merely declared that it should not continue recognizing the personality of that company and making the payments to it provided by the law because not organized in accordance with the laws of Cuba.

What has really occurred in this connection is this: The President of Cuba, General José Miguel Gómez, issued on May 12, 1913, that is to say a few days before the expiration of his term of office, which expired eight days later, or on the 20th of the same month, decree No. 510, in which the right was accorded the Government to take over the works and perform the dredging and harbor improvements in ports of the Republic upon indemnity of legitimate holders of the company's securities; but the fact is that, on various grounds, among others, that the decree gave to the United States certain intervention, whereas the United States as a foreign nation could appear in no pact save in the form of a treaty, or otherwise, but always subject to the ratification of the Senate, President Menocal annulled said decree No. 510 in all its parts, leaving it without legal force or value; and the present legal status is that said decree No. 510 is not in force because annulled on June 21, 1913, by decree No. 246 of President Menocal, while against such annulment the company has obtained no favorable resolution nor has attempted even to combat it in the courts.

With respect precisely to this decree No. 246, your excellency's predecessor Mr. Beaupré indicated to this Department in the same year, 1913, the desire of his Government that publication of the decree be suspended until the receipt of instructions, and soon thereafter, in a note of the very 21st of June 1913, addressed to Sr. Torriente, then Secretary of State of the Republic of Cuba, Mr. A. M. Beaupré, Minister then of the United States to Cuba, stated that he had just received a telegram from the Washington Government stating that it inclined to the opinion that the question of the legality of the aforesaid decree should be decided only by the competent Cuban authorities. Therefore, on this occasion, the American Government recognized that in so far as the legality of that decree was concerned, the Cuban Government was within its competent jurisdiction and could act freely in the matter.

It will thus be clearly seen that the attitude of the Government of Cuba in the matter in question is to continue to withhold payments to the so-called Cuban Ports Company as provided in the decree of August 4, 1913, confirmed in all its parts by decision of the Supreme Court of November 8, 1915, on the ground that the aforesaid company is not legally organized, and to await the final decision not only of the suit brought against the Government by the bondholders, but also the suit brought in 1913 against the company by the public prosecutor in representation of the Government of Cuba; without prejudice to continuing in the meantime its efforts to reach a settlement that shall put an end to the whole matter of the Cuban Ports Company, efforts which, as stated before, the President made unofficially prior to the rendering of the Supreme Court decision of November 8, 1915, and by the official means of the message to Congress after that decision had been rendered.

In respect to the concluding part of your excellency's note, where you say:

"My Government, without desiring at this time to enter into any discussion as to the legal rights of the parties to the contract in question under the terms thereof just mentioned, desires me to point out that the Cuban Government,

inasmuch as it has, acting through its President, terminated the company's concession, would appear to be in a position at once to take steps to effect a satisfactory solution of the existing regrettable difficulties between itself and the company by promptly instituting the proceedings suggested by the holders of the company's securities."

I must refer to what I have already stated in this note, namely, that the bondholders, who, as stated in your excellency's note, have suggested this idea, cannot properly make such a recommendation nor sustain this claim, and that for various reasons.

The first reason is that, as I have already pointed out, the procedure in question was provided for in decree No. 510, of May 13, 1913, of President José Miguel Gómez, which was revoked in full by President Menocal in his decree No. 246 of June 21, 1913, and accordingly, the only legal ground which the bondholders would have had for this procedure of the purchase of the securities by the Government of Cuba must be considered to have completely disappeared and to have been extinguished by the act of complete revocation of the decree authorizing such procedure.

Another reason is that it is not clear how the bondholders can request through diplomatic channels that this procedure of the purchase of the securities by the Government of Cuba be carried out when the fact is that, in addition to its being known to them that the decree authorizing such procedure of the purchase of securities by the Government has been revoked in full and is therefore without legal force, said bondholders, through the Trust Company of Cuba, their legal representative, have still pending in the courts a suit against the Government, claiming not only what they call the mortgage represented by their bonds but the resumption of payments by the Government in accordance with the act of February 20, 1911, and compensation of damages; it being incompatible for said bondholders to sustain at the same time two such contradictory extremes as that their character of mortgagees be recognized and the Government continue making the payments provided for in the act before mentioned, with the compensation of damages which they also seek, and that the Government be assumed to have taken over the operation of the company and should therefore proceed to purchase, after due appraisal, all the securities of the company. Or in other words, the bondholders seek through the diplomatic channel exactly the opposite to what they are seeking in the suit which is still pending decision in the Supreme Court of the Republic of Cuba.

Lastly, it is evident that, in view of all the facts, it cannot be held that the Government of Cuba has decided to take over the operation of the company and to proceed to acquire the company's securities by purchase, even were decree No. 510 authorizing this procedure still in force, which, having been revoked by decree No. 246 of June 21, 1913, it is not; for what the Government of Cuba actually did in this case was to decide and declare, as it perforce had to do, that it should not continue making payments to the Cuban Ports Company, nor should the latter continue the works of dredging and harbor improvements provided for in the fundamental act, namely, that of February 20, 1911, for the reason that said act directed that the concession should be given to the company upon the condition that it be organized in accordance with the laws of Cuba, and that, it being discovered that said company had not complied with the laws, it should not have been concessionaire indicated in the act nor could continue as such, and, consequently, payments which were theretofore being made should be discontinued and the matter taken to courts for final decision of everything concerning the legality of the company.

Moreover, the bondholders, or their trustee, the Trust Company of Cuba, are aware also that a suit is before the courts brought by the Government seeking a decree of nullity or forfeiture of the charter or instrument of organization of the corporation known as the Cuban Ports Company because of failure to comply in said instrument with the provisions of laws in force, and that said suit will be decided by the judge before whom it is pending as soon as defendants file their final answers.

In view of all these facts it is quite evident that the Government, and especially the President of the Republic, has not been procrastinating or tardy, but that his efforts for a definite settlement have perhaps been premature and untimely, inasmuch as suits are still pending in the courts, one of which was brought by the bondholders themselves; and therefore it does not seem that the Government of Cuba can be properly criticised, having proceeded and proceeding in this matter in thorough good faith and adhered to the mandates of the law, as any other nation would have done whose laws were unfulfilled and disregarded by a

corporation upon which, without prejudice to the general obligation of organizing in accordance with the laws of Cuba, the act itself of February 20, 1911, authorizing the dredging and harbor improvements in ports of Cuba, specifically imposed the obligation to organize in accordance with the laws of Cuba.

Both the company and the bondholders are bound to abide by what has already been determined, and what is yet to be determined in the suits still pending, by the courts, upon whom the ascertainment of all rights and obligations in the premises devolves. The Government of Cuba is of course willing to fulfill all its obligations, and will beyond any doubt fulfill those which may arise from the determinations of the courts. In this case there is no question of the fulfillment of any obligation with respect to Cuba which the Treaty of Paris imposed upon the United States and which should be assumed and fulfilled by the Government of Cuba as stipulated in Art. 3 of the appendix to the Constitution known as the Platt Amendment. The question involved arises from a contract between the Government of Cuba and a Cuban corporation, a corporation which under the general laws and the special law had to organize in accordance with the laws of Cuba and which the Government of Cuba, and subsequently the Supreme Court, have declared not to have observed those laws, and accordingly the Government of Cuba acted within its rights in suspending payments and submitting the question to the courts for final determination. The Government of the United States itself has recognized that in such matters, concerning questions of internal administration of Cuban affairs, and the merits of contracts between the Government of Cuba and third persons, the Government of Cuba alone has competent jurisdiction save in so far as such matters may be affected by the provisions of the Platt Amendment, as the Secretary of State of the United States expressly communicated to the Cuban Ports Company in a letter dated June 11, 1912, quoted, in this pertinent part, in the note which Mr. Beaupré, Minister of the United States, addressed to the Cuban Government on February 25, 1913.

It is not necessary to state that the so-called Platt Amendment is not involved in this matter, since, as before stated, it does not refer to obligations with respect to Cuba which were imposed upon the United States by the Treaty of Paris and which should be assumed and fulfilled by the Government of Cuba, the question involved being merely whether the holders of securities of the Cuban Ports Company have or have not any rights in the premises, and if so, what those rights are, a question still to be settled by the courts of Cuba in the suit brought by the bondholders. The President, it is true, has sought a full settlement of the question by means of an equitable arrangement, but it cannot be held on this account that the well-intentioned efforts of the President of the Republic are to be construed as creating obligations which the President has not intended to and could not impose upon the Republic.

Finally, all claims in connection with the matter of the Ports Company which may be brought against the Government of Cuba, not only by the company itself but by foreign nations, such as Great Britain, must be discussed on legal grounds only, and settled strictly on their legal merits, without any fear that the credit of Cuba will suffer or that a dangerous situation will confront the Republic, a situation which could never arise with one who, as the Cuban Government, only wants to discuss these matters calmly and to have them settled, finally, as they should be settled, in the understanding that, once settled, the Government of Cuba will not refuse to fulfill what it shall justly have to fulfill.

I avail [etc.]

PABLO DESVERNINE

File No. 837.156/240

The Secretary of State to Minister Gonzales

No. 273

DEPARTMENT OF STATE,
Washington, December 14, 1916.

SIR: The Department has received your No. 368 of August 25, 1916, enclosing a translation of a note from the Cuban Secretary of State replying to your note of August 7 last regarding the case of the Cuban Ports Company.

The Department observes that it is stated in the note addressed to you by the Cuban Secretary of State, under date of August 22 last, that the President of Cuba did not, as stated in the note addressed

by you to the Cuban Foreign Office in accordance with the Department's instruction of July 31, 1916, terminate or cancel the contract concluded between the Cuban Ports Company and the Cuban Government. It may be observed with reference to this point, that inasmuch as it appears from Mr. Desvernine's note, just mentioned, and from the decree of President Menocal, dated August 4, 1913, that he directed the suspension of the payment of funds which, under the terms of the contract, were due the company, and further directed that the Secretary of Public Works should proceed to take charge of all the works performed by the company, and since it further appears that the action directed by the President of Cuba was taken, and that the company's operations have entirely ceased, it seems to the Department that there was no substantial inaccuracy on its part in its reference to the contract in question as having been canceled.

The Department notes the observations of the Cuban Secretary of State respecting the proposal of the holders of the securities of the company that the Cuban Government should take steps to have appraisers appointed, in order that the company's outstanding securities may be purchased at a just and equitable valuation, to be determined by appraisers named in accordance with certain terms of the contract. This Government, without entering into any discussion of the legal rights of the parties to the contract in question under the terms thereof relating to the purchase of the company's securities, suggested that the Cuban Government, inasmuch as it had terminated the company's concession, would appear to be in a position to effect a satisfactory solution of existing difficulties between itself and the company, by instituting proceedings for the purchase of these securities, as suggested by the holders thereof. It would appear from Mr. Desvernine's note that the Cuban Government concludes that it is not in a position to take such action, because, in the first place, the decree of President Gómez, issued on May 12, 1913, by which provisions were incorporated into the contract for the purpose of enabling the Cuban Government to take over, under certain circumstances, the company's outstanding stock, was subsequently canceled by a decree made by President Menocal, which decree, it appears, has never been judicially confirmed; and, in the second place, even though this last mentioned decree had not been issued by President Menocal, no situation has arisen such as that contemplated by the contract which would require the Cuban Government to take over this company's securities.

The Department regrets that the Cuban Government considers that it is stopped by these reasons from taking some steps along the lines suggested by the holders of the company's securities, looking to an adjustment of the rights of all parties affected by the decree of August 4, 1913, in accordance with the avowed purposes of the President of Cuba.

The Department is not clear as to the observations made in Mr. Desvernine's note respecting the propriety of diplomatic representations in this case and respecting the pertinency to this matter of the so-called Platt Amendment. It would appear, from other portions of Mr. Desvernine's note, that this Government has made clear its position to the Government of Cuba in presenting to it certain considerations in relation to the questions involved in this case.

You will address to the Cuban Secretary of State a note in the sense of the foregoing with reference to the communication transmitted by him to you under date of August 22, 1916.

I am [etc.]

ROBERT LANSING

File No. 837.156/250

The Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, June 12, 1917, 6 p. m.

With reference to previous correspondence in connection with the Cuban Ports Company matter, you are directed to seek a favorable opportunity to say to President Menocal that, in view of his recent reelection and his ability to secure from the Cuban Congress legislation which he had deemed to be in interest of the Republic, that this might be an opportune moment for the carrying out of the desire which he is understood to have expressed for the settlement of the claims of the stockholders and bondholders of Cuban Ports Company.

You will also say that a settlement must eventually be made of this long-standing matter and its settlement at this juncture would go far toward eliminating any cause for friction not only between Cuba and the United States but between Cuba and Great Britain, which, in view of the present international situation, is highly desirable. You will add that this settlement would no doubt materially facilitate the carrying out of Cuba's financial program as set forth in recent legislative acts.

LANSING

File No. 837.156/250

Minister Gonzales to the Secretary of State

No. 471

AMERICAN LEGATION,
Habana, July 3, 1917.

SIR: Referring to your cable instruction of June 12, 6 p. m., I have the honor to enclose, as the first result, the translation into English of a message from President Menocal to Congress, accompanied by the Spanish original as it appeared in *El Mundo* of June 30.

When I presented the matter to the President he again expressed himself as anxious to get a settlement, and several days afterwards the British Minister also spoke to him on the same subject. Last Saturday, June 30, the President said that he had sent for a number of Congressmen and urged the importance of his being given authority to get a settlement with the Ports Company; that he also sent to Mr. Truffin to come to Habana and aid in getting action by Congress; that Mr. Truffin was, he thought, personally interested in the passage; that it seemed to him more probable that Congress would act favorably on this matter than on any other important proposal on the administration's program, but it was impossible to predict whether action would be taken before the adjournment on July 13.

I urged the necessity of an early settlement, and the President said that if Congress refused to act he would have to consider some plan for proceeding independently.

I have [etc.]

WILLIAM E. GONZALES

[Inclosure—Translation]

MESSAGE OF THE PRESIDENT OF THE REPUBLIC

TO THE CONGRESS: An unavoidable duty obliges me to recommend anew with all urgency to the honorable Congress the settlement of the serious matter referring to ports duties and improvements and claims of the *bona fide* holders of bonds of the Cuban Ports Company.

In the message referring to the same matter, which I sent on January 21, 1916, to both houses of Congress, I explained the status of this question and the convenience of deciding same, in view of the public necessity and of the repeated representations made by the Governments of the United States and Great Britain, regarding said claims.

The company referred to having been illegally constituted, it was nevertheless, recognized as legal by the Government of this Republic which granted it the concession for the works of dredging and improving the ports of the island, for the time and with the conditions and extraordinary advantages of the law of February 20, 1911, and showed it every measure of favor and confidence. Foreigners who, in good faith, and protected by those acts of the Government of the Republic, and in view of its reiterated assurances and of the reports of reputable entities, invested their savings or their capital in those Cuban bonds, are claiming indemnity for the loss they have suffered, and this, in my judgment, must be examined with a view to equity, even if not with strictest justice, as my Government has with solid and positive grounds constantly maintained.

By my decree No. 522 issued on August 4, 1913, it was stated that said company was not constituted in accordance with the laws of the country, as required by the law of February 20, 1911, already cited, and that it was not, nor could it continue to be the concessionaire of the said works; and that statement is supported and confirmed by repeated decisions of the Supreme Court against the company and in favor of the State, in all the suits brought against the said decree. There can be no doubt therefore, that the Government of the Republic acted legally, with right and justice, in issuing the Decree 522.

But the case of the *bona fide* holders of the bonds that the said company managed to sell abroad, taking advantage of the above-mentioned favorable circumstances and relying on the integrity of the Cuban Government, is not morally decided by those important judicial decisions, inasmuch as they rest on grounds of equity, grace and high international comity which can not escape the enlightened mind of the honorable Congress.

Founded on analogous considerations, a bill was approved by the Senate some time ago, which is still pending before the House, as to which I said in my message of January 21, 1916, and now repeat, without intending, as I did not then, to anticipate opinions which must constitutionally be reserved for the moment when the proposed law is presented to me for approval, that it was without any doubt, inspired by motives and reasons of justice on one hand, and of equity and grace on the other hand, which are fundamental and must not be lost sight of, it being my opinion that upon the ample basis of the general lines of that bill, an efficient settlement could be reached, which would foresee and satisfy the twofold necessity which must be considered, that is, that of continuing the port improvements which the law of 1911 desired should be assured, giving definite application for the tax which it imposed for that purpose, as well as that of indemnifying, in the proper time and manner, the *bona fide* bondholders.

If it were always just and prudent to consider these necessities for the reasons indicated, it is even more so now that it behooves us to lay aside completely all differences and arguments or disputes with the Governments of the United States and Great Britain in circumstances such as those created by war with the Imperial German Government, which strongly unite our three nations together in the defense of the same ideals of liberty, of international justice and of progress.

On the other hand, the definite settlement of this vexatious matter, which is used without reason against the credit of Cuba, would contribute in no little part to the better and more expeditious accomplishment of the important bond issue of thirty million dollars which the Republic needs for effecting the high and unavoidable objects which I had the honor to set out in the messages of April 18 and May 26 of this year.

I confidently expect that for the reasons expressed, the honorable Congress will, before the present session closes, vest in me the necessary authority in accordance with the proposed law referred to, or in the terms that its prudence and wisdom may dictate, in order that the important and urgent measures may be carried out.

Issued at the estate El Chico, Marianáo, June 25, 1917

M. G. MENOCAL

File No. 837.156/254

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, July 14, 1917, midnight.

Congress adjourned its regular session last night and was immediately called to convene in special session to act on the bill authorizing President to settle with Ports Company. There was no quorum this afternoon. The President plainly indicated in his message that favorable action was imperative. Having been convened for this purpose they will be obliged to act and a favorable vote is generally expected.

GONZALES

File No. 837.156/256

AMERICAN LEGATION,
Habana, July 24, 1917, 11 a. m.

The House has passed the Senate bill authorizing the President to come to a settlement with Ports Company.

GONZALES

File No. 837.156/256

The Acting Secretary of State to Minister Gonzales

[Telegram]

DEPARTMENT OF STATE,
Washington, July 26, 1917, 7 p. m.

Your July 24, 11 a. m. You are instructed to congratulate the President upon his having been authorized by Congress to settle the Ports Company matter, and you will add that this Government now feels assured that a just and prompt settlement will be forthcoming.

POLK

File No. 837.156/257

Minister Gonzales to the Secretary of State

[Telegrams]

AMERICAN LEGATION,
Habana, July 27, 1917, midnight.

Your July 26, 7 p. m. President informed me July 25 he would appoint a commission composed of Chief Justice Supreme Court, President of Senate, and Secretary of the Treasury to discuss claims with

representative of Ports Company and bondholders and report to him. He says that these men are well disposed as Cuban people will readily accept any decision by them. I suggested possible irreconcilable differences between parties and President said that he thought then some American of exalted reputation might be called in as arbitrator.

GONZALES

File No. 837.156/261

AMERICAN LEGATION,
Habana, October 6, 1917, 11 a. m.

The time for filing claims by Ports Company expired last Monday. This week President and commission have devoted to matter and have offered settlements by which Cuban Government pays for bonds at par and turns over assets of company to stockholders. Understand London interests being consulted by cable.

GONZALES

File No. 837.156/263

AMERICAN LEGATION,
Habana, October 12, 1917, 11 a. m.

The Ports Company matter has been settled definitely, all interests accepting proposal of Government. Government pays the Ports Company bonds at par. These include one million, Series A, which were distributed in Cuba and not sold at time of getting the concession, and six million dollars of Series B, sold in England. They will be paid for with Cuban interior five per cent bond, founded on fifty per cent of port tax. President Klapp of Ports Company considers it to be best Cuban bond extant.

There are ten million dollars in stock which was all originally issued as water, part as bonus with bonds and part to friends and supporters of company. The company is allowed to retain its assets. These include half million dollars remaining in treasury from sale of bonds [apparent omission] tax from Cuban Government and valuable real estate which may be worth from four to twelve millions according to time and manner of development. A development company is proposed to take over these assets and President Menocal has personally assured individuals that he will facilitate this work.

GONZALES