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A Doctrine Revised: The Venezuelan Crisis of 1902 and the Roosevelt Corollary

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**A DOCTRINE REVISED: THE VENEZUELAN CRISIS OF 1902
AND THE ROOSEVELT COROLLARY**

by

George Arthur Boston

**A Thesis
Submitted to the
Faculty of The Graduate College
in partial fulfillment of the
requirements for the
Degree of Master of Arts
Department of History**

**Western Michigan University
Kalamazoo, Michigan
June 1989**

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Roosevelt Corollary**

Boston, George Arthur, M.A.

Western Michigan University, 1989

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PREFACE

One of the most controversial statements in American foreign policy is the Monroe Doctrine. Since it was first promulgated in 1823, and until the present time it has colored the diplomatic relationship with Latin America.

The rivalry with Europe over hegemony in this hemisphere reached a turning point in the early twentieth century. As a result of increased American involvement in this hemisphere, and especially after the American Civil War, diverging American and European interests, the United States drastically altered the Monroe Doctrine, changing its character and purpose. The blockade of Venezuela in 1902-1903 became the catalyst for this change.

I would like to acknowledge the assistance in the preparation of this study by Dr. Ross Gregory, Dr. Graham Hawks, and Dr. Dale Pattison. I also wish to thank Stefan Sarenus for his assistance.

George Boston

CHAPTER I

INTRODUCTION

We do not recognize this monstrosity of international law.
Prince Otto von Bismarck (German Chancellor, 1884)

Her Majesty's government is not prepared to admit that the
recognition of that expediency is clothed with a
sanction of that which belongs to a doctrine of
international law.

Lord Salisbury (British Foreign Secretary, 1895)

South America is no concern to the Yankees.

Kaiser Wilhelm II (1900)

If any South American State misbehaves toward any European
Country, let the European Country spank it.

Theodore Roosevelt (1901)

Between the end of the Civil War and the onset of World War I the United States experienced a series of changes on the domestic scene. Among these were dramatic economic growth and expansion into the western part of North America. These changes had a profound impact on the role this country played in global affairs. During this period the major European powers were engaged in economic, diplomatic, and military rivalries. With increasing frequency the United States involved itself in this competition in order to protect its interests.¹

¹ Howard C. Hill, Roosevelt and the Caribbean, (Chicago: University of Chicago, 1927), 14-16.

One of the primary arenas for this competition between the United States and Europe was in Latin America.

The intensity of this conflict was heightened by the existence and interpretations of the Monroe Doctrine.² First promulgated in the annual message to Congress of President James Monroe in 1823, this statement forbade any future colonization by European countries in the Western Hemisphere. It also proclaimed that any extension of the monarchical system near the borders of the United States would be considered a threat to American security.³

These three paragraphs embedded in Monroe's message subsequently became the basis of American relations with Latin America and colored the diplomatic relationship with Europe. Domestically the Doctrine has been used as a partisan football; varying interpretations have given both isolationists and expansionists fuel for their arguments. Over the years the Doctrine achieved an almost mythical status until any perceived threat to it was sure to receive an immediate and vocal response.⁴

The Caribbean area traditionally has been of particular interest to the United States. By the turn of

² See appendix A.

³ J. Reuben Clark, Memorandum on the Monroe Doctrine, (Washington, D.C.: Government Printing Office, 1930), 97.

⁴ Dexter Perkins, A History of the Monroe Doctrine, (Boston: Little, Brown and Company, 1963), 281-287.

the century economic and military factors served to increase interest in the "American Lake." One of the most important diplomatic events affecting United States interest in the region was the signing of the Hay-Pauncefote treaty of 1901. This treaty paved the way for construction of a canal linking the Atlantic and Pacific Oceans through Central America. Such a waterway had been a dream of politicians and diplomats for centuries. Now it looked like those dreams would be realized.⁵

The importance of the proposed canal for economic expansion and communications was not lost on its proponents. Americans also recognized the strategic importance of the canal. During the Spanish-American War the battleship Oregon made a desperate voyage around Cape Horn to reinforce the Caribbean squadron. This incident and the treatment it received in the press demonstrated that the United States was a two-ocean power and that the canal would be a vital link in our defenses.⁶ Foreign observers also recognized the importance of the canal and noted that exclusive control of the canal would further

⁵Hill, 34-35.

⁶In a New York Times article of May 22, 1898 engineer Lyman Cooley noted that a Nicaraguan canal would have saved 44 of the 62 days journey of the Oregon. He also noted that the Pacific coast defenses were left vulnerable since there was no way to quickly reinforce it by transferring ships from the Atlantic fleet.

American hegemony over the Western Hemisphere.⁷

Secure access to the approaches to the canal was of great concern in Washington. American victories in the Spanish-American War had greatly increased American influence in the area, and had brought sites for potential naval bases. To counter American influence several foreign powers scrambled to acquire naval bases in the region. British colonies already existed on Jamaica and Trinidad, as well as in Central and South America. Other European powers also had possessions in the Caribbean (see figure one). Germany, however did not and made every effort to acquire such a base.⁸

Table 1

Major West Indian islands belonging to the European powers
in 1902

British:	Danish:
Jamaica, Barbados, Grenada	St Croix, John, Thomas
Antigua, Bahamas, Bermuda	French:
Turks and Caicos Group	Martinique, Guadeloupe
Trinidad and Tobago	Dutch:
	Aruba, Bonaire, Curacao

⁷ Richard H. Collin, TR, Culture, Diplomacy, Expansion: A New View of American Imperialism, (Baton Rouge: Louisiana State University Press, 1985), 168.

⁸ Dexter Perkins, The Monroe Doctrine, 1867-1907, (Gloucester, MA: John Hopkins Press, 1937), 302-315.

A coup in Venezuela in 1899 brought Cipriano Castro to power. Castro's despotic and corrupt rule, his maltreatment of foreign nationals, and a cavalier attitude toward Venezuela's foreign debt precipitated a crisis that proved to be one of the primary methods in the attempt to increase European influence in the Caribbean.⁹

In one of the first foreign policy crises of his administration, Theodore Roosevelt was faced with a challenge to the Monroe Doctrine when a combined German and British squadron bombarded Venezuelan coastal cities and sank several Venezuelan warships. The Allied Powers, joined by Italian ships blockaded the Venezuelan coast in an effort to force Castro to repay foreign loans and redress grievances for the treatment of foreign nationals.¹⁰

⁹William Maurice Sullivan, "The Rise of Despotism in Venezuela, Cipriano Castro, 1899-1908," (Ph.D diss., The University of New Mexico, 1974), 168.

¹⁰ Several studies of this episode have been made from different points of view. For representative studies see Hill, 106-147, and Perkins, Monroe Doctrine, 1867, 319-395.

CHAPTER II

THE MONROE DOCTRINE

The ideas embodied in the Monroe Doctrine are closely intertwined with American history. The interpretations of that document have colored the role that the United States has played in international affairs. But how did the Doctrine come about and why did it become so important in American foreign policy?

The Spanish colony of New Granada of which Venezuela was a part had several short-lived and unsuccessful rebellions. In 1806 Francisco Miranda led an uprising in Caracas which was put down by the Spanish authorities. The conquest of Spain by the forces of Napoleon Bonaparte hastened the move toward independence in Latin America. The occupation of Spain in 1808 by French troops resulted in the rebellion of its colonies. While the Spanish were able to retain control in Cuba and other smaller colonies, on the mainland of South America several republics were established.¹

With the end of the Napoleonic wars in Europe the victorious countries formed the Holy Alliance. Created in 1814 by Great Britain, Prussia, Russia, and Austria, its

¹John Armstrong Crow, The Epic of Latin America, (Garden City, NY: Doubleday, 1971), 419-427.

goals were to protect the established order in Europe after the devastating period of conflict. It was also designed to preserve the monarchical system and to protect against the rising tide of republican governments. One of the avowed objectives of the Alliance was to restore to Spain the colonies it had lost in Latin America.²

In Latin America the struggling Republics were alarmed by these events. Simon Bolivar, the liberator of Colombia and Venezuela, was certain that Spain or some other European country would attempt to reoccupy Latin America.³ There was also concern in Britain that the Spanish would try to reestablish their authority. Since independence the new countries of Latin America had welcomed British merchants. Representatives of the British trading houses worried that if the Spanish were returned to power they would see a return to the trade restrictions of the past. Also the Republics in Latin America enjoyed popular support in Great Britain. In violation of the foreign enlistment act, as well as the spirit of the Alliance, British citizens were recruited to serve in Bolivar's army. In a message to Secretary of State John Quincy Adams, the American minister in London, Richard Rush pointed out that the while troops were recruited

² Clark, 62-64.

³ Dexter Perkins, The Monroe Doctrine, 1823-1826, (Gloucester, MA: Peter Smith, 1965), 152-154.

privately and that the policy of the British government prohibited aid to the rebels, such an expedition was too costly to be a private venture.⁴ As a consequence Great Britain withdrew from the Alliance to pursue its own interests in Latin America.

Wary of a Spanish or French attempt to control Latin America, British Foreign Secretary Lord Castlereagh made overtures to Adams about a possible Anglo-American alliance to prevent European domination in Latin America. Castlereagh's successor, George Canning, went further and proposed a joint declaration be made recognizing the new Republics and guaranteeing their sovereignty.⁵

In the United States the formation of the Holy Alliance and the events in Europe were viewed with alarm. Revival of a European-dominated Latin America would endanger United States trade and hopes for expansion. Speaker of the House Henry Clay agitated for the recognition of the newly-formed Republics and viewed the Alliance as a threat to the entire Western Hemisphere.⁶ In November, 1823, Adams noted in his diary that Secretary of War John C. Calhoun believed that "ten thousand men,

⁴ Richard Rush to Secretary of State John Quincy Adams in: United States Department of State, Despatches from United States Ministers to Great Britain, 1791-1906, 214 vol. (Washington, D.C.: National Archives, 1954), Aug. 24 and Oct. 5, 1819.

⁵ Ibid., Aug. 23, 1823.

⁶ Perkins, 1823, 45-48.

will restore all Mexico, and all South America, to Spanish dominion and that the Holy Alliance had an ultimate eye to us."⁷

Monroe, Adams , and Calhoun saw advantages in a joint declaration with Britain. However Monroe feared that appearing to be Great Britain's "junior partner" would be unpopular in the United States. Adams commented that the "United States would look like a cock boat coming in in the wake of the British man-o-war." Clay took a nationalistic stance, preferring a unilateral declaration or even a Hemispheric Alliance to counter the Holy Alliance in Europe. One can see the influence of Adams, Canning, Clay, and Calhoun in Monroe's statement, but the basic principles behind the Doctrine can be traced to the American desire to remove itself from the dynastic rivalries of Europe.⁸

The fact that the Monroe Doctrine was basically a unilateral statement of American concerns was not lost on the Latin Americans, who generally greeted Monroe's pronouncement with ambivalence. Bolivar saw the Doctrine as a general statement of support for the newly-formed

⁷ Clark, 101.

⁸ In 1928 Undersecretary of State J. Reuben Clark prepared a history of the Monroe Doctrine at the request of Secretary of State Frank B. Kellogg. The Clark memorandum supports the thesis that the principles behind the Monroe Doctrine predate American independence and reflect the desire to remain separate from European affairs.

republics but he realized its enforcement would rest with the British Navy, not the weaker United States.⁹

For almost forty years the Doctrine languished. In several instances the countries of Europe openly intervened in the Western Hemisphere with little or no protest from the United States. In 1838 a French naval squadron shelled the port of Veracruz, Mexico, in an attempt to collect debts owed to French creditors. Concerned about a possible French attempt to dominate Mexico, the British forced the French to accept arbitration.¹⁰

After the Mexican-American War of 1846-48 the Doctrine received new emphasis in American foreign policy. As early as the 1830s serious speculation about the construction of a waterway in Central America connecting the Atlantic and Pacific oceans began. Concerned over possible foreign intervention in Central America, President James Polk negotiated the Clayton-Bulwer treaty of 1850 providing for the joint control of any future

⁹ Perkins, Monroe Doctrine, 35.

¹⁰ Perkins, 1823, 154.

canal by the United States and Great Britain.¹¹ In 1848, when Prussian bondholders protested the treatment they were receiving at the hands of the Venezuelan government, the United States stepped in and mediated a solution to the crisis.¹²

During the American Civil War the Doctrine was seriously challenged. In 1861 Great Britain, France, and Spain undertook a joint military expedition against Mexico. They agreed to occupy the port of Veracruz and to seize the customs house to force the Mexican government to repay several foreign loans. In the following months the forces of these three countries landed in Mexico and won several concessions from the Mexicans, who were slowly recovering from their own internal struggle. The British and Spanish, satisfied that their claims had been met withdrew their forces; however the French remained.¹³

¹¹ Great Britain, Despatches, November 9, 1849 and passim. On November 8, British Foreign Secretary Lord Palmerston discussed with United States minister to Great Britain Abbott Lawrence the possibility of a cooperative venture in Central America to insure the neutrality of the area. Subsequently American Secretary of State Clayton and British Ambassador Bulwer concluded a treaty to that effect.

¹² Clark, 127.

¹³ United States Department of State, Papers Relating to the Foreign Relations of the United States with the Annual Message of the President Transmitted to Congress, 292 vol. (Washington, D.C.: Government Printing Office, 1861-1960), 1861, p. 256 and 1862-1867 passim. Hereafter referred to as FRUS.

French Emperor Napoleon III devised a grand design for an American empire. A French-controlled state in Mexico would protect French investments in Latin America and provide raw materials for his industries. It would also serve as a buffer, preventing further southward expansion of the United States. He also believed this was an opportunity to save the monarchical system and reverse the tide of republicanism.¹⁴

The United States, involved in the Civil War, tried to defend the Monroe Doctrine by diplomatic posturing and moral support for the legitimate government of Mexico, while at the same time spurning any contact with the French-controlled government in Mexico City. But material support was lacking and after several seesaw battles the French were able to consolidate their position in Mexico and in 1864 established an empire headed by the Austrian Archduke, Maximilian.

While the Civil War was still raging Secretary of State William Henry Seward was loath to confront any European state lest it recognize the Confederacy. Seward's policy was opposed by many in the United States. General Ulysses S. Grant saw the French intervention as a direct result of the Civil War and urged that more direct

¹⁴ Alfred Jackson Hanna and Kathryn Abbey Hanna, Napoleon III and Mexico: American Triumph over Monarchy, (Chapel Hill: The University of North Carolina Press, 1971), 58-66.

measures be undertaken to uphold the Monroe Doctrine.

After the close of the Civil War the United States increased its support for the government of Benito Juarez in Mexico. Arms and supplies began to filter across the Rio Grande. The effects of this military and diplomatic support for the Juaristas began to be felt, and combined with threats from Prussia, convinced Napoleon III that his dream of an American empire was not worth the cost.¹⁵

A revived and rearmed Mexican army faced Maximillian's forces, now devoid of French support. Desertions and military defeats thinned the ranks of the Emperor's armies. Finally he made a courageous last stand at Mexico City, but his troops were quickly overrun. The Emperor was captured and along with several Mexican generals who had supported the Empire, executed.

To Secretary Seward, American support had been crucial in the victory over the French. Public opinion had been inflamed by this breach of the Monroe Doctrine and elated by its successful defense. Seward, at a speech celebrating the success of Monroeism declared that "the United States became for the first time, in sincerity and earnestness, the friend and ally of every other Republic in America and all the Republican states became, from that

¹⁵ Ibid., 303-307.

hour, the friends and allies of the United States." ¹⁶

The defense of the Doctrine during the French intervention had heightened American awareness of the importance of the Doctrine to their foreign policy. With greater frequency any foreign policy decision was scrutinized for its effect on the Doctrine. ¹⁷

In the years after the Civil War American diplomacy again turned toward expansion into the Caribbean. Unsuccessful attempts were made to acquire the Danish West Indies. Rumors circulated about foreign intrigues in Latin America. Overtures were made to the Spanish in a bid to purchase Cuba. ¹⁸ The isthmusian canal project also received a boost when in 1900 the first Hay-Pauncefote treaty was signed. This treaty provided for joint action with the British to build, operate, and defend the canal. ¹⁹

But the treaty did not meet with full acceptance in the United States. Theodore Roosevelt, then Governor of New York, wrote Hay expressing his reservations. He felt that to relinquish full control over the canal would be

¹⁶ Ibid., 301.

¹⁷ Perkins, 1867, 2.

¹⁸ Several false rumors circulated about foreign attempts to purchase Caribbean islands. See FRUS, 1874: 368, 439-440 and 1879: 308, 310. For American attempts to purchase Cuba see FRUS 1898: 688.

¹⁹ FRUS, 1901: 241-243.

disastrous on two accounts. First he pointed out that if the defense of the canal were a joint undertaking, American warships would have to be reserved for that purpose. Instead of tying up valuable warships Roosevelt felt that fortifications, solely controlled by the United States would be better. Roosevelt also recognized that the canal would be a vital strategic asset to the United States, but it could also be a military burden. He was aware that during the war with Spain the United States had virtually stripped the Pacific coast of defenses and if the canal would not be solely under United States control enemy warships might be able to use it to attack the United States. He also pointed out the importance of American control of the approaches to the canal. The treaty, he wrote, set a bad precedent. If the principle of joint action in this Hemisphere with the European powers was accepted in this case the Monroe Doctrine would be threatened.²⁰

The treaty also had other opponents. Henry Cabot Lodge and others in the Senate attached three amendments to the treaty before it was ratified. But the amended treaty was not acceptable to Great Britain. Negotiations began again and in the closing days of 1901 a second Hay-Pauncefote treaty came before the Senate. In the

²⁰ Theodore Roosevelt to Secretary of State John Hay, February 18, 1900 in Theodore Roosevelt Papers.

second treaty all objections had been removed. Abrogating the Clayton-Bulwer agreement, it allowed for exclusive control of the proposed canal by the United States. Roosevelt, now president, supported the treaty being reassured by Hay that we had "won all points in the contest." On December 16 it was ratified by the Senate, setting the stage for the construction of a canal.²¹

Although the Doctrine had become a centerpiece of American foreign policy and regarded as an explicit statement of the principles of non-interference, it was not fully accepted in Europe. The Doctrine was not recognized as international law, but was seen as an excuse for United States hegemony over the Western Hemisphere.²²

²¹ FRUS, 1901: 245-246.

²² For the attitude of the British government see FRUS, 1895: 563. For the attitude of the French government see FRUS, 1865, III: 380. For the Attitude of the Germans see J. Lepsius (ed.), Die Grosse Politik der Europaischen Kabinette, 1871-1914, 40 vol. (Berlin, 1922-1927), IV; 61.

CHAPTER III

VENEZUELA AND FOREIGN RELATIONS

During the fifty years prior to World War I, the global power structure underwent a major change. The consolidation of the modern German state in 1871 and victory in the Franco-Prussian war, combined with the rapid industrial growth, resulted in that country becoming a major continental power. At the same time the British were having a revival of their empire and experiencing the triumphs of the Victorian era. Both Germany and Great Britain sought to advance their power and prestige. Great Britain wished to maintain its traditional position while Germany sought to take its rightful place in international affairs.

In Venezuela both countries faced a dilemma. To expand their influence and power in that area would involve challenging the United States on the issue of the Monroe Doctrine. The Europeans had not treated the Doctrine with respect. German Chancellor Prince Otto von Bismarck had remarked that it was "an extraordinary piece of insolence, a spectre that would vanish in plain daylight."¹ British Foreign Secretary Lord Salisbury had

¹ Perkins, 1867, 301-302.

maintained that the Doctrine had no place in international law and was entirely dependent on American power.² The relations of these three countries and Venezuela illustrate their policies and desires for the region.

United States

Relations between the United States and Venezuela reflect the broader fabric of American diplomacy in the Caribbean. The relationship rested upon two broad themes. Since the death of the Liberator and until recent times, the government of Venezuela has been characterized by instability and a succession of dictatorships. Another feature had been the arbitration of disputes under the aegis of the Monroe Doctrine.³

In the early years of the nineteenth century Venezuela, along with Colombia and Panama declared their independence from Spanish rule. Under the guidance of Bolivar the countries merged into a single national entity known as "Gran Colombia." In 1822 the United States recognized Gran Colombia, but shortly after Bolivar's death in 1830 the shaky coalition dissolved and Venezuela left to become a separate nation. This began a hundred

²Clark, 170-171.

³P. F. Fenton, "Diplomatic Relations of the United States and Venezuela, 1880-1915," (Hispanic American Historical Review 83 August, 1928): 330.

year era in Venezuelan history characterized by the rise and fall of several caudillos or political bosses.⁴

The relations of the United States with the Venezuelan caudillos varied widely. American economic involvement in the country dates back to 1800 when, still under Spanish rule, Augustin Maden was appointed consul for the Venezuelan port city of La Guaira. While there Maden noted the growing influence of the British and urged greater United States involvement in the country to counter this. After the great earthquake in Caracas in 1812 the United States sent five ships laden with relief supplies. This act improved the reputation of the United States in Venezuela. But by 1818 a member of Oliver Hazard Perry's expedition to Venezuela noted that the Venezuelans felt the United States was indifferent to their struggles and he further believed that anti-American propaganda spread by the British to be responsible.⁵

One of the more lucrative American investments was the river trade. In 1865 the American riverboat "Apure" operating in eastern Venezuela was attacked by rebel forces. The Governor of Sucre state had contracted with

⁴Robert H. Gilmore, Caudillism and Militarism in Venezuela, 1810-1910, (Athens, OH: University of Ohio Press, 1964), chap. 2 passim.

⁵Journal of the Voyage of the U.S.S. Nonsuch up the Orinoco, July 11-August 24, 1819, (Washington, D.C.: National Archives, 1944), August 12, 1819.

the riverboat's crew to transport himself and a force of fifty-eight soldiers to the scene of reported rebel activity. Upon reaching their destination the riverboat was ambushed. The Captain of the riverboat, hoping to arrange a truce, went ashore during a lull in the shooting. A shot rang out, killing him. Hurriedly the crew began to release their moorings and urge the Governor's troops to go ashore. Eventually the riverboat was able to reach safety, but not until two more crew members were killed.⁶ The Apure incident grew into a major diplomatic crisis between the United States and Venezuela.

In the ensuing investigation the United States government demanded that the murderers be brought to justice and that the Venezuelan government pay restitution to the families of those slain. Three years passed before the Venezuelan government made a final judgement, and that fell far short of American expectations. In effect the Venezuelan government said the captain was at fault for his own murder. A report issued in 1868 pointed out that the captain had no business being ashore. Also it was pointed out that it would be impossible to bring his murderers to justice since the incident was the result of a civil insurrection. The Venezuelan government also

⁶United States Department of State, Despatches from United States Ministers to Venezuela, 1835-1906, 60 vol. (Washington, D.C.: National Archives, 1944), January 25, 1866.

refused to pay restitution, but they did agree to give gift to the widow of the captain, disclaiming any legal responsibility.⁷

The Apure incident did not slow the pace of American investments. By 1881 yearly trade with Venezuela amounted to six million francs. Corrupt Venezuelan officials demanded bribes and imposed unfair fines and duties on American companies. Businessmen, eager to continue their profitable enterprises paid, considering these the "cost of doing business." But from time to time these companies complained to the State department and requested something be done to alleviate the situation.⁸

Venezuelan Law permitted these abuses. In the decree of February 14, 1873 outlining the rights of foreigners in Venezuela, article five explicitly referred to the Calvo doctrine. The article denied foreign residents the right to appeal for redress from their own consulates unless they had "exhausted all the legal resources before the competent authorities". Given the nature of the Venezuelan government, it was virtually impossible to gain compensation for losses. Article four of the same decree also restricted the rights of foreigners to participate in

⁷ Ibid., June 28, 1868.

⁸ Fenton, 353-355.

internal uprisings.⁹

In 1899 several American companies, especially the New York and Bermudez Company, were accused of taking sides in one of Venezuela's internal revolutions. When Cipriano Castro came to power he further restricted the political activities of these companies. On April 26, 1903 a law superceding the decree of 1873 further defined the rights of foreigners in Venezuela. One article strictly prohibited political involvement by either resident or transient foreigner. Any foreigner in violation of the article could be deported. A resident was subject to extraordinary taxes and seizure of his goods. This same act limited the claims caused by internal struggles or revolutions of foreign companies¹⁰ A summary of claims in 1903 found that more than forty percent of the claims made by American companies were the result of losses suffered during revolutions. Of the 81 million bolivars claimed by United States companies, 95 percent of the claims were disallowed, and it was determined that the Venezuelan government was liable for less than four million bolivars.¹¹

⁹ FRUS, 1883: 918.

¹⁰ Ibid., 1903: 806-807.

¹¹ Fenton, 342.

Another bone of contention resulted from the Hacienda law, which gave local authorities broad powers. Ships entering foreign ports normally deposited their papers at the local consulate, but Venezuelan authorities demanded that they receive the papers instead and charged a processing "fee".¹² This practice was often protested. In 1883 and for several years after the American Ministers in Caracas sent letters of protest to the State Department. Finally, in 1899 after a protest from Secretary of State John Hay, the practice of delivering papers to the consulate was resumed.¹³ Nonetheless the relations between the United States and Venezuelan governments remained stormy. Venezuela's location and problems with foreign governments made it a testing ground for the Monroe Doctrine.¹⁴

Great Britain

The British influence in Venezuela during the nineteenth century can hardly be underestimated. During Simon Bolivar's revolt against Spanish rule British assistance had been critical. The nearby British colonies in Trinidad and Guyana were a vital source of supplies and a refuge for the Venezuelan independence movement. Latin

¹² Venezuela, Despatches, January 4, 1864.

¹³ FRUS, 1899: 780-781.

¹⁴ Fenton, 331.

America. Bolivar recognized the importance of Britain as a tacit ally in the early years of the independence of Gran Colombia.¹⁵

British grievances against Venezuela centered around two concerns. First, Venezuelan naval officials were accused of stopping British merchant vessels and arresting British subjects. Venezuelan military officials would occasionally impress British citizens into the army. A number of these actions possibly were the result of mistaken identity, since a British subject born in Trinidad might look much like a Venezuelan. When a British merchant vessel would be stopped or a British citizen from Trinidad stopped on the street, the unfortunate person would almost certainly be arrested or forced to join the army because he lacked the proper papers. In the early twentieth century a British subject was impressed into the Venezuelan Army. It took a year and involvement by the United States State Department to resolve the matter.¹⁶

But these matters were trivial compared to the boundary crisis between the British colony in Guyana and Venezuela. The Venezuelans claimed almost half of the territory of the British colony and Britain stubbornly refused to mediate. Police stations and border posts were

¹⁵ Perkins, History, 68-69.

¹⁶ FRUS, 1902: 545.

established by both sides. In 1881 and again in 1886 the dispute threatened to result in war.¹⁷

In the summer of 1895 President Grover Cleveland's Secretary of State, Richard Olney, explicitly applied the Monroe Doctrine to the boundary crisis. In his note of July 20 to Lord Salisbury, he outlined the views of the United States on the Monroe Doctrine. He wrote that, "The Monroe Administration ... did not hesitate to accept and apply the logic of the Farewell Address by declaring in effect that American non-intervention in European affairs necessarily implied and meant European non-intervention in American affairs." He traced the history of the Doctrine and gave examples, especially the European intervention in Mexico, emphasizing the importance of arbitration of the dispute.¹⁸

In reply Salisbury commented that the intent of Monroe's message differed widely from the view of the Doctrine as expressed by Cleveland and Olney and that there "was no danger of any Holy Alliance imposing its system on any portion of the American Continent," that the Doctrine was outmoded, and in any case Britain was not trying to impose any "system" on Venezuela. Salisbury denied that the Doctrine had anything to do with the

¹⁷ Clark, 151-152.

¹⁸ Ibid., 154-163.

situation and in any case was not international law.¹⁹

In a message to Congress on December 17, 1895 Cleveland refuted Salisbury's contentions. He said that expansion of any European colony in South America would be tantamount to extending their system onto an American republic and would be contrary to the Monroe Doctrine. He also went on to say that while the Doctrine as such was not international law the principles behind it were recognized.

During the last third of the nineteenth century the United States and Great Britain were engaged in a diplomatic feud as the Americans persisted in "twisting the Lion's Tail."²⁰ In the aftermath of the Venezuelan boundary dispute of 1895 and Cleveland and Olney's vigorous defense of the Monroe Doctrine, Great Britain increasingly became more cautious about confronting the United States on that issue.

In 1897 a German subject, Emil Luders, was convicted of assaulting a Haitian policeman. The United States interceded on his behalf and succeeded in getting him released. The German minister in Haiti demanded that Luders be allowed to return to Haiti. The McKinley administration negotiated a settlement to the matter.

¹⁹ Ibid., 168-169.

²⁰ Collin, 158-159.

During the episode press coverage in British newspapers was favorable to the United States. While deploring the heavy-handed German actions, the acceptance of the Monroe Doctrine became more pronounced. As the attitudes in Great Britain became more pro-American, anglophiles in the American government, like Theodore Roosevelt and John Hay, ushered in an era of cooperation with Great Britain.²¹

In the years between 1895 and 1902 the diplomatic feud between Venezuela and the British over the Guyana boundary persisted and another territorial dispute arose over Patos island. This small island, situated twelve miles from the British colony at Trinidad and three miles from the Venezuelan coast was claimed by both countries. Because of its isolated location it was used as a base for smugglers and pirates. Confrontations over the island fueled resentment in Great Britain. In the press and Parliament pressure was brought to bear on the government to act to protect British rights.

Germany

The relations between Germany and Venezuela date back to the early 1700s when Hansa traders began operations in the Caracas area. By the 1830s this trade was worth about

²¹ The Luders incident had a major effect on the relations between the United States and Great Britain. See Perlins, 1867, 255-263 and Collin, 154 and 165.

two million marks per year. During that decade representatives from Venezuela signed trade agreements with the United States and Britain which reduced the value of this trade and the influence of the German merchants. Under these agreements countries which did not have trade treaties with Venezuela were forced to pay duties of up to fifty percent and ship their goods on treaty vessels. In 1837 the city of Hamburg, in order to avoid these restrictions, signed a treaty with Venezuela and trade more than doubled.²²

With the consolidation of the German Empire in 1871, trade relations with Venezuela continued to improve. In the first half of the 1890s it grew by more than 140 percent and by the early years of the twentieth century amounted to almost 26 million marks. In 1897 the German Navy Office estimated total investments in Venezuela to be worth 200 million marks, the largest in any Caribbean country and equivalent to German investment in Mexico. At the turn of the century there were thirty-eight German trading houses in Venezuela, with two, Gran Ferrocarril de Venezuela and Blohm, accounting for almost half. It was also estimated that German real estate holdings in Venezuela amounted to almost 20 million marks. By the turn

²² Holger H. Herwig, Germany's Vision of Empire in Venezuela, 1871-1914, (Princeton, NJ: Princeton University Press, 1986), 18-19.

of the century most observers agreed that the German trading houses were dominant in the economy of Venezuela. The German trading houses protected their investments by giving the Venezuelan authorities bribes and kickbacks. Financial support was given to various revolutionary movements. In fact, Cipriano Castro at one time worked for the German house of Breuer, Moller & Company.²³

A second method used to increase German influence in Venezuela was through the German community itself. Large German communities existed in several South American republics. The largest were in Argentina and Brazil, but about one thousand lived in Venezuela. Support for these settlements took several forms. Funds were appropriated in Germany to support schools for German children of parents living in Venezuela and in several instances German warships visited Venezuelan ports. In Maracaibo the German community was well established. Five large German trading houses virtually controlled the foreign trade of the city. The Germans dominated the local business club, established the "German Rowing Club" and a chapter of the German Naval League. To top this off, when a brewery was built, the machinery, as well as a brewmaster were imported from Germany. The German consul, Edward von Jess, lamented the fact that the search for water to supply the brewery had

²³ Gilmore, 89-112.

only resulted in several unwanted "petroleum springs."²⁴

A third method instrumental in increasing German influence was presence of military advisors. In the same way that Baron von Steuben had participated in the American revolution, German military advisors played a part in the campaigns for Venezuelan independence. Friedrich Rauch, Johann von Uslar, and Otto Philipp Braun fought with the Venezuelan revolutionaries and were central in several military battles against Spain. German officers regularly trained South American armies. And in several South American countries, with the exception of Peru, where French influence was predominant, German or German surrogates were actively engaged in the training and indoctrination of the army. There were also large sales of German arms and military equipment to Venezuela. In the decade of the 1890s the the governments of Joaquin Crespo and Ignacio Andrade purchased 40,000 rifles, ammunition, and several artillery pieces from Germany. In addition several Venezuelan officers attended the Berlin military academy.²⁵

Although German investments in Venezuela were massive and in the words of the American consul in Maracaibo, E.L. Plumacher, they "know what the market needs and supply

²⁴ Herwig, 22-26 and passim.

²⁵ Ibid., 110-131.

it....," ²⁶ German grievances against the Venezuelan government grew. Most complaints centered around the Great Venezuelan Railroad. This sixty million mark project was the largest undertaken by German investors and financed primarily through the German Banking House Discontento Gesellschaft. In 1896 General Crespo refused to pay the railroad to transport his troops and during the revolution that brought Cipriano Castro to power the country plunged into poverty and all payments were halted. In 1898 Lieutenant Commander Hermann Jacobsen reported to Berlin that the project was a "failed speculation." ²⁷

The ascension of Wilhelm II to the German throne in 1888 and the tenures of Bernhard von Bulow at the Foreign Ministry and Alfred von Tirpitz at the Admiralty marked a transformation in German foreign policy. ²⁸ In Latin America, as around the world, German warships made port calls to show the flag and strengthen the prestige of Germans living overseas. Several German warships made visits to Venezuelan port cities during the 1890s. Suggestions came to Berlin about possible German naval stations in South America, the Margarita Islands, Colombia, Brazil, the Corn Islands off Nicaragua were

²⁶ Ibid., 24.

²⁷ Ibid., 40-44.

²⁸ Ibid., 141-143.

mentioned as possible sites. The United States looked upon these moves with apprehension. In mid April, 1895 an article in the New York Herald commented that German warships under the guise of debt collection were attempting to gain the use of Margarita Island as a naval base.

After the Spanish-American War a new sense of urgency characterized German dispatches. One month after the outbreak of the war a German report outlined the importance to the United States of a canal through Central America and further stated that United States control of the Atlantic and Pacific approaches to the canal route would be critical. While United States naval stations in the Caribbean would secure the Atlantic approaches, bases in Hawaii would be in a position to protect the Pacific shipping routes. The report concluded that a German base in the region would play a decisive role in the area. Von Tirpitz told von Bulow that unless Germany acquired a naval base, either on St. Thomas or Curacao, it was in danger of losing its South American markets forever.²⁹

In the early years of the twentieth century the German quest for increased influence in the region continued. Von Bulow, now Chancellor, as well as the Foreign Office was positive that the United States was

²⁹ Die Grosse Politik, XVII; 289.

going to build a Central American canal. In May 1902 an Admiralty report said that American purchase of the Danish West Indies was only "a matter of time" and that the German investment of two hundred million marks in Venezuela dictated an immediate naval station on Curacao.³⁰

Concluding Remarks

While both Great Britain and Germany had large stakes in Venezuela, other foreign countries also were involved. France had major investments, as did Italy, and several other European nations. In 1881 the United States negotiated a settlement of claims between France and Venezuela and also helped end a French blockade of Venezuelan ports.³¹ In early 1902 the French settled their dispute with Venezuela. Italy, however had suffered some ill-treatment as had Germany. As early as 1901 it had inquired about joint German-Italian action in Venezuela to collect debts, and on December 3, 1902 asked to participate in the anticipated blockade of Venezuelan ports.

³⁰ Ibid., XVII; 289-291.

³¹ FRUS, 1881: 1191, 1208, 1218.

CHAPTER IV

PRELUDE TO THE CRISIS

The blockade of Venezuela had its beginnings in the nineteenth century but the diplomatic rift between Venezuela and Europe grew larger after Castro seized power in 1899. Massive amounts of foreign capital entered the country to finance huge development projects, such as the Great Venezuelan Railroad, meat-packing plants, and roadways. Several officials in the Venezuelan government, including Castro himself, cashed in on this new-found wealth.¹ In addition to siphoning off money for himself, Castro gave several of his friends and political allies economic concessions that he hoped would consolidate his position of supreme ruler of Venezuela.²

Castro's associates took advantage of their positions to extort money from foreign investors, who hoped for favorable treatment if they bribed local officials. Combined with the plans and hopes of the foreign investors and their governments, this situation had the potential

¹ A contemporary account is given in Stephan Bonsal, "Castro: A Latin-American Type," North American Review 176 (May, 1903): 747-757.

² Venezuela, Despatches, December 29, 1900.

for a diplomatic and military confrontation. With the deepening crisis the foreign investors began to appeal to their governments for assistance.

A standard feature of economic contracts between the Latin American governments and foreign investors was the Calvo clause. Formulated during the 1850s by Argentinian jurist Antonio Calvo, the clause had promoted the thesis that an investor in a foreign country should not be able to appeal to his home country in the case of an economic dispute. Rather, he would be obliged to work through the legal system of the host country. The appeals made by the British and Germans were a direct violation of the Calvo clause in their contracts with the Venezuelan government. Britain and Germany were not the only countries faced by these problems. A number of other foreign investors encountered these difficulties, including France, the United States, Mexico, and several others.³ The reactions of Great Britain and Germany, however, are in sharp contrast to those of other creditor nations and reflect the political and military aspirations of both Wilhelmstrasse and Whitehall in the Caribbean region.

By 1902 the foreign debt of Venezuela had reached almost 60 million dollars and its debt to Germany alone

³ FRUS, 1902: 1067-1069.

was two million dollars.⁴ German concerns over the safety of their investment and German aspirations in Latin America resulted in von Bulow sounding out the Kaiser about possible military action. While Wilhelm II was reluctant to challenge the United States on the issue of the Monroe Doctrine, he did not rule out the possibility of joint action with the British.

Taking the Kaiser's concerns into account, Foreign Minister Prince Klemens von Metternich sent a note to Hay in 1901 outlining Germany's grievances and a proposal to blockade Venezuela's ports and seize the customs houses, while assuring Hay that Germany harbored no aspirations contradictory to the Monroe Doctrine. Hay replied that unilateral action would not be acceptable. Quoting from Roosevelt's message to Congress, he stated that the Doctrine prohibited foreign acquisition of territory but was not meant as a shield for wrongdoing.⁵

The British government also had grievances against the Venezuelan government. Shipping from the British colony at Trinidad was vulnerable to Venezuelan gunboats and several British-owned ships had been seized and British subjects arrested. A territorial dispute over Patos island and lingering resentment over the Guyana

⁴ New York Times, January 1, 1902.

⁵ FRUS, 1901: 193-195.

boundary dispute also fueled British anger.⁶ In June, 1902 and again the following November the British government presented an ultimatum to the Venezuelan government, but in both cases Castro was away from Caracas suppressing an internal rebellion led by General Manuel Matos.⁷ In late July Landsdowne and the German ambassador discussed the possibility of joint action.⁸ A few days later the British Foreign Office discussed the issue with the Admiralty.⁹ Meanwhile the British minister in Caracas, William Haggard, wrote a frank letter to Venezuelan Foreign Minister Ricardo Barault laying out Great Britain's grievances and demanding action. Barault replied that the British colony on Trinidad was a haven for Venezuelan rebels and that nothing could be done until that situation was settled.¹⁰

The rumors of an Anglo-French alliance was a source of anxiety to the German leaders and a combined German and British operation could undermine that effort. Also, if Great Britain was associated with the operation the protests of the United States might be lessened and

⁶ Venezuela, Despatches, October 4, 1902.

⁷ Ibid., July 13, 1902 and August 3, 1902.

⁸ Great Britain, Despatches, July 23, 1902.

⁹ Ibid., August 8, 1902.

¹⁰ Ibid., July 30 and August 2, 1902.

success be more likely. For its part Great Britain followed Germany's lead as part of a broader plan to further cooperation among the countries of Europe. Also Landsdowne hoped that this operation would improve Anglo-German relations which had suffered in the wake of German public support of the Boers during the Boer War. During a meeting in mid-July Landsdowne met with the German Ambassador and discussed joint action against Venezuela.¹¹ As the blockade progressed and public opinion turned against the operation, officials in the British government were quick to point out that they were following Germany's lead. However in a meeting between United States envoy Charlemagne Tower, and the Kaiser in late January, the Kaiser pointed out that that the operation had resulted from a British initiative.¹² In a letter to William Thayer, Roosevelt commented that the British Conservatives considered Germany to be a great foe and he believed Great Britain was duped into an unpopular and dangerous alliance.¹³

Having reached a general agreement to take joint military action against Venezuela, the British and Germans

¹¹ United States Department of State, Despatches from United States Ministers to the German States and Germany, 1799-1906, 170 vol. (Washington, D.C.: National Archives, 1953), July 22, 1902.

¹² Ibid., January 28, 1903.

¹³ Theodore Roosevelt Papers, July 10, 1915.

began to outline a plan of action. The operation was to have three phases. First the Venezuelan Navy was to be put out of operation and resistance to the expedition eliminated. At the same time German and British nationals would be evacuated. The second phase would involve a blockade of Venezuelan ports. Finally an economic settlement would be forced from the government.¹⁴

The nature of the proposed blockade was still open to question. The German government preferred a measure it called the "pacific" blockade, a measure that had been undertaken several times previously. In such a blockade the shipping of the target country was prevented from leaving port and other ships prevented from entering. Warships that offered resistance would be captured.¹⁵ This tactic over a warlike blockade for two reasons. The pacific blockade did not require the approval of the German Parliament. Also the adoption of the pacific blockade would allow the Kaiser more flexibility and less risk of a confrontation with the United States.

The idea of the pacific blockade was not accepted in the United States. Hay remarked that a blockade was an act of war and that Germany's proposal was only a trick of semantics. The British also advocated a traditional-style

¹⁴ Great Britain, Despatches, August 8, September 27, and November 26 and 27, 1902.

¹⁵ FRUS, 1901: 192-196.

blockade. The majority of British claims revolved around protection of their subjects and threats to shipping. The British hoped to eliminate competition while the Germans hoped to dominate Venezuela economically and politically. Finally the German government adopted the warlike blockade, hoping to remove possible points of contention between the British and themselves.¹⁶

In late November the American Minister to Venezuela, Herbert Bowen, met with Castro. Castro noted that three German warships were outfitting at Kiel and their intended destination was Venezuela. Bowen, recognizing that the crisis was reaching an irreversable stage, pointed out that Castro should send a personal message, reassuring the Europeans that their demands would be considered. Bowen went on to point out that "foreigners don't know whether you are good or bad." Castro replied that he agreed and would send some sort of message.¹⁷ One week later Castro published a letter in the Caracas newspaper pointing out that the Matos rebellion been given the government's full attention. Now that that conflict was dying down, the concerns of the foreign investors would be dealt with, but they must "bide their time."¹⁸

¹⁶ Germany, Despatches, December 14, 1902.

¹⁷ Venezuela, Despatches, November 28, 1902.

¹⁸ Ibid., December 8, 1902.

But the confrontation had momentum all its own. A week before the crisis Bowen was instructed to represent British and German interests in the event of a break in relations.¹⁹ Two days before the ultimatum was delivered Hay informed American ambassadors in Germany and Great Britain that the New York banking firm of J.W. Seligman and Company was attempting to refinance the Venezuelan debt. Hay hoped that this last minute effort would eliminate the need for an "exhibition" on the part of the European countries.²⁰

¹⁹ United States Department of State, Diplomatic Instructions of the Department of State, 1801-1906, 5 vol. (Washington, D.C.: National Archives, 1946), November 29 and December 1, 1902.

²⁰ Germany, Despatches, December 5, 1902.

CHAPTER V

THE ANGLO-GERMAN BLOCKADE

On December 7, 1902, the British Minister in Caracas, William Haggard, and German Minister, Pilgrim von Baltazzi, delivered another ultimatum to Venezuela. The German note was accompanied by a Spanish translation, but a day passed before a translation was made available for the British. At the time the note was received the Venezuelan government was again facing a rebellion. The forces of General Matos were still rebelling against the Castro government. Occupied, the Venezuelan government failed to react to the ultimatum. Receiving no reply, the British and German ministers slipped out of Caracas, telling no one of their departure.¹

On December 9, British and German warships began capturing Venezuelan vessels. During the first day of operations the German gunboat Vineta captured the Venezuelan warships General Crespo and Totumo. While towing these vessels back to La Guaira, Commodore Scheder, commander of the Vineta, was faced with the problem of evacuating German citizens from La Guaira. Fearing that these ships would be an incumbrance, Scheder ordered them blown up. It was believed, erroneously, that the crews

¹ Venezuela, Despatches, December 8 and 13, 1902.

were still on board. This act further inflamed public opinion.²

The early days of the blockade were hectic. E.L. Plumacher, the American Consul at Maracaibo noted the German gunboat Panther had arrived off the coast and after meeting the Captain, commented that the Germans "meant business."³ On the ninth a mob in Caracas attacked the German legation and Castro ordered the arrest of British and Germans living in the town. Bowen quickly protested to Castro and the captives were released the following day, but the British and Germans remained "edgy."⁴

Two days after the ultimatum was delivered Bowen received a note from Barault asking him to consider acting as an arbitrator. Two days later Bowen received a telegram from Hay informing him that the Venezuelan government had formally requested Bowen try to settle the differences between the Europeans and Venezuela.⁵

On the thirteenth the European powers began to bombard Puerto Cabello and a day later Bowen reported the incident to Hay. In response to the destruction of the

² Ibid., December 13, 1902.

³ United States Department of State, Despatches from United States Consuls in Maracaibo, Venezuela, 1824-1906, 17 vol (Washington, D.C.: National Archives, 1961), November 28, 1902.

⁴ Venezuela, Despatches, December 12, 1902.

⁵ Ibid., December 9, 1902.

Totumo and General Crespo the Venezuelans captured the British merchant ship Topaze and arrested the crew. British and German ships thereupon shelled Puerto Cabello and British marines rescued the crew of the Topaze. This action further inflamed an already-agitated Venezuelan population.⁶ This incident also had effect in Washington. Hay's cables to Berlin and London took on a renewed sense of urgency.

On the 18th three incidents occurred that altered the nature of the blockade. The Italian Minister in Caracas, G.P. Riza, informed the Venezuelan government that it was breaking off relations and joining the Germans and British in the blockade. Also Bowen was accepted by the Venezuelan government as its plenipotentiary, giving him full powers to act as a go-between.⁷

In Great Britain concerns were expressed in Parliament about needlessly endangering the relationship with the United States. In a vigorous debate on December 15, government critics pointed out that that it would be impossible to conduct land operations in Venezuela and in any case the blockade was increasing tensions with the

⁶ Ibid., December 14 and 15, 1902.

⁷ Ibid., December 18, 1902.

United States.⁸ In a speech before the House of Lords on the sixteenth Landsdowne said that the British government had no intentions of permanently occupying Venezuelan territory.⁹ Later that same day he assured Henry White, the United States Ambassador in London, that there was no intention of landing troops.¹⁰

As early as December 12, von Bulow informed the Kaiser that British public opinion was no longer behind the blockade.¹¹ Articles in the Times suggested that Great Britain might be the dupe of Germany.¹² Still stinging from German opposition during the Boer War, the British were suspicious of German motives. In late December Rudyard Kipling published a poem in the Times which reflected the growing opposition to the joint venture with Germany:

Last Night ye wrote our voyage was done,
But seaward still we go
And ye tell us now of a secret vow
Ye have made with an open foe
That we must lie off a lightless coast
And haul and back and veer,
At the will of the breed that has wronged us most

⁸ Great Britain Parliament, Hansard's Parliamentary Debates, 1892-1908, 199 vol. (New York: Readex Microprint, 1963), December 15, 1902.

⁹ Times (London), December 15, 1902.

¹⁰ Allan Nevins, Henry White: 30 years of American Diplomacy, (New York: Harper, 1930), 212.

¹¹ Die Grosse Politik, XVII; 244.

¹² Times (London), January 2, 1903.

For a year and a year and a year
 The dead they mocked are scarcely cold,
 Our wounds are bleeding yet,
 And yet ye tell us not that our strength is sold
 To help them press for a debt.¹³

Stung by this criticism, Landsdowne told von Metternich that the British had decided to allow their part of the claims to be arbitrated.¹⁴ The Germans agreed as well, not wanting to appear as the roadblock to a negotiated settlement.¹⁵ The Kaiser, upon hearing about the events in Great Britain, commented that he thought Edward VII had lost his nerve and that this would not have happened during Queen Victoria's reign.¹⁶

The economic effects of the blockade began to be felt. On December 31 Castro told Bowen that he accepted the Allies' claims in principle and that the matter would already have been solved except for the civil war.¹⁷ Four days later the banks refused further loans to the Venezuelan government, also the salaries of government workers were suspended.¹⁸ A few days later Bowen noted

¹³ Times (London), January 17, 1903.

¹⁴ Great Britain, Despatches, December 24, 1902.

¹⁵ Germany, Despatches, December 23, 1902.

¹⁶ Die Grosse Politik, XVII; 256.

¹⁷ Venezuela, Despatches, December 31, 1902.

¹⁸ Ibid., January 3, 1903.

that only a ten-day supply of flour remained in Caracas and that the gas supplies of the city were almost exhausted.¹⁹ The situation in Caracas was reflected throughout Venezuela. In Maracaibo Plumacher noted that the electric lights no longer operated and that severe inflation racked the city.²⁰

At the request of the Venezuelan government Bowen was appointed as the plenipotentiary to represent Venezuela in settlement negotiations.²¹ Returning to Washington on January 20, Bowen met immediately with Roosevelt, who, Bowen noted, no longer looked refined, but rather "coarse" and "brutal." He then met with the British Ambassador, Michael Herbert, who said that if British conditions were met they would raise the blockade. However the story was different when he met with the German envoy, Count Albert von Quadt. Quadt pointed out that the blockading powers had agreed to stand together and that none could withdraw without the permission of the other two.²²

While Bowen was in Washington events in Venezuela took an ominous turn. On January 17 the German gunboat Panther tried to force its way inside Maracaibo harbor.

¹⁹ Ibid., January 9, 1903.

²⁰ Maracaibo, Despatches, January 12, 1903.

²¹ Venezuela, Despatches, January 12, 1903.

²² Herbert W. Bowen, Recollections, Diplomatic and Undiplomatic, (New York: F.W. Hitchcock, 1926), 263-265.

The commander of Fort San Carlos, fearing a replay of the shelling of Puerto Cabello, opened fire on the Panther. In response the warship reduced the fort and closed the port at Maracaibo. Plumacher noted that this incident had prompted the people to take up arms out of fear that German Marines would be landing shortly.²³ On January 31 Roosevelt castigated the new German Ambassador Baron Speck von Sternburg for Germany's actions. Von Sternburg reported to Berlin that Germany had sacrificed what little sympathy it had in the United States.²⁴

Admiral George Dewey had been sent with some fifty warships to participate in maneuvers off Puerto Rico. Dewey, known for his anti-German bent ever since a German fleet had threatened him after the Battle of Manila Bay, was itching for a confrontation with the German warships blockading Venezuela.²⁵ The role that Dewey and the American Navy played is unclear. In 1915 Roosevelt recalled that he had "assembled our battle fleet under Admiral Dewey for maneuvers, with instructions that the fleet should be kept in hand and in fighting trim, ready to sail at a moments notice." He said that he had given

²³ Maracaibo, Despatches, January 19, 1903.

²⁴ Hill, 143-145.

²⁵ An account of Dewey's attitudes toward the Germans in given in John Gary Clifford, "Admiral Dewey and the Germans," Mid America 49 (July, 1967): 214-220.

the Germans an ultimatum: "Leave Venezuela alone or he would dispatch Dewey's fifty-four ship fleet to confront the smaller blockading squadron." ²⁶

In the years since that statement was made historians have offered conflicting interpretations of the event. Dexter Perkins and others have believed that Roosevelt's statement was simply anti-German rhetoric, coming as it did during the early days of World War One. Others have seen it as a tool in the 1916 Presidential campaign. Seward Livermore accepted Roosevelt's story. Both Howard Hill and James Rippey believed Roosevelt's story was essentially true, but that he confused some of the names and dates.

It has also been pointed out that the fleet being concentrated in the Caribbean was not particularly unusual. Samuel Flagg Bemis noted that the waters around Puerto Rico are a natural wintering place. In addition the fleet maneuvers had been scheduled for a long time. Livermore explained that Admiral Dewey commanded the fleet, and he noted that it is unusual for the Admiral of the Fleet to be in personal command during "routine" maneuvers. In addition every battleship and torpedo boat

²⁶ Theodore Roosevelt Papers, Roosevelt to William Thayer. August 21, 1916.

was there, making it a formidable fighting force.²⁷ During the early days of the crisis the gunboat Marietta was stationed at La Guaira.²⁸ On December 18 the battleship squadron sailed to Trinidad, just miles from Venezuela. Three days later the two most powerful and modern battleships in the fleet, the Kearsage and Alabama, docked at La Guaira.²⁹

Circumstantial evidence seems to support many of Roosevelt's recollections. In early December von Hollenben visited the White House and had twice to discuss the Venezuelan situation. After one session von Hollenben left rather subdued. Roosevelt's private secretary commented that "The President gave that Dutchman something to think about." Von Hollenben's replacement, von Sternburg met with Roosevelt and talked about the blockade. A transcript of the meeting is unavailable but on February 3 the Ambassador told Berlin that Germany should accept arbitration referring to Dewey's "secret orders" to hold the American fleet in readiness.³⁰ On February 5

²⁷ Seward N. Livermore, "Theodore Roosevelt, the American Navy, and the Venezuelan Crisis of 1902-1903," American Historical Review. 51 (April 1946): 452-471.

²⁸ United States Department of State, Notes from the Venezuelan Legation in the United States to the Department of State, (Washington, D.C.: National Archives, 1962), December 23, 1902.

²⁹ Times (London), December 21, 1902.

³⁰ Die Grosse Politik, XVII; 285-286.

Roosevelt inquired about the strength of the German naval squadron in the Caribbean. After the crisis Roosevelt told von Sternburg that he was relieved when Germany acquiesced and that Germany would have considered Dewey's ships to be the primary enemy if things had got out of hand. In 1906 Roosevelt remembered that he had been "suave and pleasant" with the German Emperor and that he had tried, during the Venezuelan affair, to preserve the Kaiser's "dignity and reputation."³¹ This evidence, circumstantial as it is, does support some of Roosevelt's statements. The implication was clear. The "Big Stick" was there just in case.

In Great Britain, Prime Minister Balfour, tiring of the whole affair, said that he welcomed any increase in the influence of the United States in the Western Hemisphere. Three days later a spokesman for the British government reiterated "unwavering" support for the Monroe Doctrine.³² It seemed the alliance with Germany was crumbling. In a Times article von Bulow noted that criticism of the operation and animosities from the Boer War were to blame.³³

³¹ Nevins, 215.

³² Times (London), February 15, 1903.

³³ Ibid., January 17, 1903.

On February 17 an agreement was reached between Venezuela and the United States. One day later Bowen secured a second agreement to settle the immediate claims between the blockading powers and Venezuela. Great Britain demanded 5500 pounds as immediate payment, which Bowen paid. The Germans demanded \$325,000 to be paid in five monthly installments and Italy was to have its treaty renegotiated. Bowen then approached other countries that had debts with Venezuela but had not participated in the blockade. These "peace powers" were the United States, Mexico, France, Belgium, Holland, and Norway and Sweden.³⁴ On February 18 the blockade was lifted and commerce resumed. But the consequences of the incident were just beginning.³⁵

³⁴ Bowen, Recollections, 263-266.

³⁵ Venezuela, Despatches, February 18, 1903.

CHAPTER VI

REACTION TO THE BLOCKADE

The blockade had several effects on the international situation. One of the first reactions came from Argentinian Foreign Minister, Luis Drago. On December 29, 1902 Drago wrote to Hay what later became known as the Drago Doctrine.¹ Drago declared that public indebtedness was insufficient reason for a blockade or the occupation of customs houses. He pointed out that foreign investors in Latin American countries should be aware of the economic and political situations in those countries and should make their investments accordingly. He stated that in many cases a military effort to collect debts had resulted in the occupation of territory. In the Western Hemisphere this would be a direct violation of the Monroe Doctrine. Worried about intervention that used the guise of debt collection to further colonial ambitions, the Drago Doctrine was warmly received in Latin America.² While not adopted by the United States it was later

¹ See Appendix B.

² Crammond Kennedy, "The Drago Doctrine," North American Review 185 (July 19, 1907): 614-622.

accepted by the Hague Convention in 1907.³

First and foremost of the effects of the blockade were the loss of life. Several people had been killed when Venezuelan forts at Maracaibo, La Guaira, and Puerto Cabello had been shelled. But Venezuelans were not the only ones who were objects of violence and coercion. German and British subjects were thrown in jail. Even after American diplomats gained their release they were still in danger from unruly mobs. In Maracaibo German and British businesses were put under the protection of the American flag. Plumacher noted that local attitudes toward the German residents was becoming "ugly" and he expressed concern for their safety.⁴ Another tactic used to coerce the European residents was to increase their license fees. An Italian merchant who had been paying the government 3000 Bolivars annually had it increased to 16,000. Unable to pay the increased amount he went out of business. Consular official William Russell commented that "the proceedings in this case were legal but very informal, and were taken on account of the unfriendly attitude assumed by Mr. Baccardo."⁵

³ FRUS, 1907: 1199-1201.

⁴ Maracaibo, Despatches, January 2, 1903.

⁵ Venezuela, Despatches, January 21, 1903.

The blockade also caused severe economic disruption in Venezuela. Several Venezuelan warships were destroyed and others damaged. Commerce was interrupted and shortages caused by the blockade. In Caracas and Maracaibo the gas supplies ran out, plunging the cities into darkness. In Maracaibo the shortage of fresh water resulted in outbreaks of yellow fever and smallpox. Inflation racked the country. Plumacher noted that it caused much suffering and hardship. The government imposed a thirty percent war tax which further fueled inflation.⁶

The acceptance of Bowen as the representative of Venezuela in the claims negotiations was controversial. On February 17 an agreement was signed between Hay and Bowen that settled the outstanding claims between the United States and Venezuela.⁷ But the blockading powers wanted preferential treatment of their claims and refused to lift the blockade until their demands were met. In a letter to Hay on January 29 Bowen argued that giving the blockading powers preferential treatment would make it easier for other nations to resort to force.⁸ The representatives of the blockading powers preferred not to go to the Hague, as Bowen insisted, instead they preferred to refer the matter

⁶ Maracaibo, Despatches, February 18, 1903.

⁷ See Appendix C.

⁸ Venezuela, Despatches, January 29, 1903.

to Roosevelt. But Roosevelt refused to arbitrate the case and it was decided that the Hague would settle the matter.⁹

The agreements of May 6 stipulated that thirty percent of the proceeds of the customs houses at Puerto Cabello and La Guaira would be used to settle the foreign debts.¹⁰ Several countries signed the agreement, including the United States, Mexico, the Netherlands, Belgium, and several others, but the German, British, and Italian claims had priority. In the case of Germany 140,000 bolivars were paid immediately and an additional two million would be paid over a period of years (see Figure two). Bowen, in a report to Hay in 1904, commented that the funds available would be sufficient to pay the creditors by "1911 or 1912."¹¹

⁹ Bowen, Recollections, 268-270. Bowen recalled that at first Roosevelt preferred to settle the matter himself, but later recanted when public opinion shifted, supporting referring the matter to the Hague.

¹⁰ See Appendix D.

¹¹ Theodore Roosevelt Papers, Bowen to Hay, August 21, 1904.

Table 2

Decision of the Hague Tribunal in the Venezuelan claims
case of 1903

Creditor Country:	Amount of Claims (bolivars)
<hr/>	
United States	2,313,711.37
Germany	2,091,908.75
Great Britain	9,401,267.86
Italy	5,785,962.19
Mexico	2,577,328.10

Source: FRUS, 1904: 871.

Ever since the Boer War British relations with Germany had been strained. Landsdowne, deploring the rising tide of anti-German sentiment in Great Britain, hoped that a joint Anglo-German operation in Venezuela might prove to be the vehicle for better relations between the two countries. This operation and the publicity it received hardened British public opinion. Recalling the Venezuelan blockade Ambassador Henry White noted, "Ever since the Kruger telegram and the Boer War Germany had been growing more unpopular and joint action with her was almost universally disapproved and condemned."¹²

German aspirations in Latin America were well known

¹² Nevins, 209.

in the United States and this operation strained the already bad relations between the two countries. A few months before the crisis, Prince Henry, brother of the Kaiser, made a good-will tour of the United States. During the tour Henry presented a statue of Bismarck to the city of New York. Responding to this gift an editorial in the New York Times quipped "that we should give the Kaiser a bust of James Monroe in return."¹³

Roosevelt Corollary

The most far-reaching reaction to the crisis was the radical modification of the Monroe Doctrine known as the Roosevelt Corollary.¹⁴ The intervention in Latin America presented Roosevelt with a dilemma. He could preempt European intervention in the Hemisphere by assuming the role of international policeman. But by doing so he would be radically altering the policy of the United States toward Latin America, a change certain to be criticized by Americans opposed to imperialism. For years the United States had been urged by the Europeans to find a way to police the recalcitrant states in Latin America. During the Venezuelan boundary crisis Salisbury had urged the United States to take some sort of action to prevent reoccurrence

¹³ New York Times, April 3, 1902.

¹⁴ see Appendix E

of the crisis. In the closing days of the blockade Balfour reiterated his claim that Great Britain did not wish to challenge the Monroe Doctrine and he urged the United States to increase its influence in Latin America.¹⁵

Faced with these opinions and growing sentiment at home to do something, Roosevelt decided to take on the role of international policeman in Latin America and link this policy to the Monroe Doctrine. Speaking with von Sternburg, Roosevelt commented that:

The Venezuelan question has very much changed my view as to the interpretation of the Monroe Doctrine with relation to public opinion here. Before the intervention I believed that the temporary landing of foreign troops in Venezuela would call forth no opposition here. I see I was mistaken.¹⁶

In a speech delivered in Chicago in April Roosevelt said that the Doctrine had won new laurels during the Venezuelan affair, and that while the Doctrine was not international law, the will and strength to enforce it were vital to United States interests. He also pointed out that European intervention in this hemisphere would continue as long as foreign investments continued.¹⁷

Later in 1903 the United States intervened in Panama. This tiny country had been part of Colombia for years. A

¹⁵ Times (London), February 15, 1903.

¹⁶ Perkins, 1867, p. 408.

¹⁷ Theodore Roosevelt Papers, April 3, 1903.

combination of a local insurgency and United States action resulted in Panamanian independence. American recognition of Panama and the timely arrival of an American warship prevented the Colombians from suppressing this rebellion.¹⁸ Another factor which influenced Roosevelt was the crisis in the Dominican Republic.¹⁹ This small island country was plagued by much the same problems that faced Venezuela, a huge foreign debt and European creditors complaining to their governments. Both the German and Italian governments were rumored to be readying a squadron of warships to look after their interests. Writing to Secretary of War Elihu Root, Roosevelt commented that he could not tell Germany and England to keep their hands off the Dominican Republic while failing to do something to keep order there.

Unlike the Venezuelan affair, however, the United States government reacted swiftly. Hay met with the Dominican foreign minister Juan Sanchez and discussed ways of settling the problem. They recognized that intervention by the United States would be a radical and controversial change of policy. But events forced Roosevelt's hand. European creditors continued to demand payment. To prevent a replay of the Venezuelan incident, Roosevelt decided to

¹⁸ FRUS, 1903: 230-245.

¹⁹ FRUS, 1904: 261-267.

intervene. ²⁰

²⁰ Douglas R. Gow, "How Did the Roosevelt Corollary Become Linked to the Dominican Republic?" Mid America 58 (October 1976): 160-163.

CONCLUSION

I do not regret the Venezuelan incident, which has served to further still more the acceptance of the Monroe Doctrine.

Henry White (American Ambassador to London, 1902)

The Monroe Doctrine has no enemies in this country that I know of.

Arthur Balfour (Prime Minister of Great Britain, 1903)

I believe in the Monroe Doctrine with all my heart and soul.

Theodore Roosevelt (1903)

The Venezuelan crisis of 1902-1903 had several effects on international relations. British public opinion became increasingly anti-German and further Anglo-German military cooperation was halted until the 1950s.¹ As a result of this incident, public opinion in the United States also turned against Germany.² The blockade also raised the question of forcible collection of debts and the value of a permanent organization designed to deal with similar problems.³

¹ "The Blockade in Venezuela," History Today 15 (July, 1965): 478.

² Paul S. Holbo, "Perilous Obscurity: Public Opinion and the Press in the Venezuelan Crisis, 1902-1903," The Historian: A Journal of History 32 (May, 1970): 438-439.

³ Wayne MacVeagh, "The Value of the Venezuelan Arbitration," North American Review 177 (December, 1903): 810-811.

The blockade placed Cipriano Castro on the world stage and gave him an opportunity to consolidate his power in Venezuela.⁴ But the crisis also led to bad feelings between Roosevelt and Castro. The same year that Roosevelt left office Castro was replaced in a coup by his Vice President, Juan Vincente Gomez.⁵

The most far-reaching effect of the crisis was the adoption by the United States of the Roosevelt Corollary to the Monroe Doctrine. The assumption of international police powers in this hemisphere by the United States was controversial. Isolationists saw it as an excuse to intervene on the behalf of various factions. Others complained that the Corollary was the cause of friction and resentment in Latin America.⁶ Under the aegis of the Corollary the United States intervened in almost every Central American and Caribbean nation during the next thirty years.

After World War I Warren G. Harding was elected on the platform of a "return to normalcy." Reflecting this policy, Harding's Secretary of State, Charles Evans

⁴ Carlos Brandt, Bajo de Tirania de Cipriano Castro. Su Desgracia Actitud Durante the Bombardeo y Bloqueo de 1902, (Caracas: Tipografia Vargas, 1952), 66-67.

⁵ Gilmore, 13.

⁶ Perkins, 1867, 442-445.

Hughes, began to gradually roll back the Corollary. His successor, Frank B. Kellogg, continued this trend and in 1928 commissioned a study that found the Corollary contrary to the spirit of the Monroe Doctrine. ⁸Although the so-called Clark memorandum was issued in 1928, it was not published until 1930. The conclusions reached in the memorandum did form the basis for a letter from Kellogg to Latin American embassies outlining the historical basis of the Doctrine. ⁹

Originally written to allay Senate fears that the Monroe Doctrine would not be threatened by the Kellogg-Briand Peace Pact of 1928, the Clark memorandum seemed destined to be forgotten. ¹⁰ President-elect Herbert Hoover went on a tour of Latin America in early 1929. Interested in improving economic and political ties to the region he assured the Latin American countries that the days of intervention in their affairs was over. Reaction to Hoover's trip was mixed, in some quarters in Latin

⁷During the 1923 Pan American conference in Santiago, Hughes assured the Latin American countries that the interventions of the past were over.

⁸See Appendix F.

⁹FRUS, 1928, I: 698-719.

¹⁰ Although the Clark memorandum was not published until 1930. The fact that it was written was leaked to the press. During the spring of 1929 several articles in the New York Times heralded this document as representing a new era in Monroeism.

America genuine enthusiasm was felt,¹¹ while others expressed different opinions.¹²

Enthusiastic responses from foreign sources, pressure on the domestic scene, combined with Hoover's avowed policy of improving ties in the hemisphere resulted in the adoption of the Clark memorandum, and its repudiation of the Roosevelt Corollary, as official policy. After a quarter century the primary effect of the Venezuelan blockade of 1902-1903 was undone.

¹¹ New York Times, January 12, 1929. It was noted that the Panamanians urged the adoption of a more consistent interpretation of the Monroe Doctrine.

¹² New York Times, January 28, 1929. Quoting an editorial in the Brazilian newspaper Diario de Sao Paulo, it said that some saw Hoover as acting like a "travelling salesman."

Appendix A

**The Monroe Doctrine
December 6, 1823**

From: Monroe's annual message to Congress (1823):

The occasion has been judged proper for asserting, as a principle in which the rights and interests of the United States are involved, that the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European powers.

The political system of the allied powers is essentially different in this respect from that of America. This difference proceeds from that which exists in their respective Governments; and to the defense of our own, which has been achieved by the loss of so much blood and treasure, and matured by the wisdom of their most enlightened citizens, and under which we have enjoyed unexampled felicity, this whole nation is devoted. We owe it, therefore, to candor and to the amicable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety. With the existing colonies or dependencies of any European power we have not interfered and shall not interfere. But with the Governments who have declared their independence and maintained it, and whose independence we have, on great consideration and on just principles, acknowledged, we could not view any interposition for the purpose of oppressing them, or controlling in any other manner their destiny, by any European power, in any other light than as the manifestation of an unfriendly disposition toward the United States.

It is impossible that the allied powers should extend their political system to any portion of either continent without endangering our peace and happiness; nor can anyone believe that our southern brethren, if left to themselves, would adopt it of their own accord. It is equally impossible, therefore, that we should behold such interposition in any form with indifference.¹

¹ Clark, x.

Appendix B

**Excerpts from a letter from Argentinian Foreign
Minister Luis Drago to Secretary of State John Hay
December 29, 1902**

THE DRAGO DOCTRINE:

In the first place the lender knows that he is entering into a contract with a sovereign entity, and it is an inherent qualification of all sovereignty that no proceedings for the execution of a judgement may be instituted or carried out against it, since this manner of collection would compromise its very existence and cause the independence and freedom of action of the respective government to disappear. Among the fundamental principles of public international law which humanity has consecrated, one of the most precious is that which decrees that all states, whatever be the force at their disposal, are entities in law, perfectly equal to one another, and mutually entitled by virtue thereof to the same consideration and respect.

The collection of loans by military means implies territorial occupation to make them effective, and territorial occupation signifies the suppression or subordination of the governments of the countries on which it is imposed. Such a situation seems obviously at variance with the principles many times proclaimed by the nations of America, and particularly with the Monroe doctrine, sustained and defended with so much zeal on all occasions by the United States, a doctrine to which the Argentine Republic has heretofore solemnly adhered.

We in no wise pretend that the South American nations are, from any point of view, exempt from the responsibilities of all sorts which violations of international law imposed on civilized peoples. We do not nor can we pretend that these countries occupy an exceptional position in their relations with European powers, which have the indubitable right to protect their subjects as completely as in any other part of the world against the persecutions and injustices of which they may be victims. In a word, the principle which she would like to see recognized is: that the public debt can not occasion armed intervention nor even the actual occupation of the territory of American nations by a European power.¹

¹Argentinian Foreign Minister Luis Drago to Secretary of State John Hay, December 29, 1902. In FRUS, 1903: 1.

Appendix C

**Agreement Between the United States and Venezuela
February 17, 1903**

Protocol of an Agreement between the Secretary of State of the United States of America and the Plenipotentiary of the Republic of Venezuela for the submission to arbitration of all unsettled claims of citizens of the United States of America against Venezuela.

Signed at Washington, February 17, 1903.

The United States of America and the Republic of Venezuela, through their representatives, John Hay, Secretary of State of the United States of America, and Herbert W. Bowen, the Plenipotentiary of the Republic of Venezuela, have agreed upon and signed the following protocol.

ARTICLE I.

All claims owned by citizens of the United States of America against the Republic of Venezuela which have not been settled by diplomatic agreement or by arbitration between the two Governments, and which shall have been presented to the commission hereinafter named by the Department of State of the United States or its Legation at Caracas, shall be examined and decided by a mixed commission, which shall sit at Caracas, and which shall consist of two members, one of whom is to be appointed by the President of the United States and the other by the President of Venezuela.

It is agreed that an umpire may be named by the Queen of the Netherlands. If either of said commissioners or the umpire should fail or cease to act, his successor shall be appointed forthwith in the same manner as his predecessor. Said commissioners and umpire are to be appointed before the first day of May, 1903.

The commissioners and the umpire shall meet in the city of Caracas on the first day of June, 1903. The umpire shall preside over their deliberations, and shall be competent to decide any question on which the commissioners disagree. Before assuming the functions of their office the commissioners and the umpire shall take solemn oath carefully to examine and impartially decide, according to justice and the provisions of this convention, all claims submitted to them, and such oaths shall be entered on the record of their proceedings. The commissioners, or in the case of their disagreement, the umpire, shall decide all claims on the basis of absolute equity, without regards to objections of a technical nature, or of the provisions of local legislation.

ARTICLE II.

The commissioners, or umpire, as the case may be,

shall investigate and decide said claims upon such evidence or information only as shall be furnished by or on behalf of the respective Governments. They shall be bound to receive and consider all written documents or statements which may be presented to them by or on behalf of the respective Governments in support of or in answer to any claim, and to hear oral or written arguments made by the Agent of each Government on every claim. In case of their failure to agree in opinion upon any individual claim, the umpire shall decide.

Every claim shall be formally presented to the commissioners within thirty days from the day of their first meeting, unless the commissioners or the umpire in any case extend the period for presenting the claim not exceeding three months longer. The commissioners shall be bound to examine and decide upon every claim within six months from the day of its first formal presentation, and in the case of their disagreement, the umpire shall examine and decide within a corresponding period from the date of such disagreement.

ARTICLE III.

The commissioners and the umpire shall keep an accurate record of their proceedings. For that purpose, each commissioner shall appoint a secretary versed in the language of both countries, to assist them in the transaction of the business of the commission. Except as herein stipulated, all questions of procedure shall be left to the determination of the commission, or in the case of their disagreement, to the umpire.

ARTICLE IV.

Reasonable compensation to the commissioners and to the umpire for their services and expenses, and the other expenses of said arbitration, are to be paid in equal moieties by the contracting parties.

ARTICLE V.

In order to pay the total amount of the claims to be adjudicated as aforesaid, and other claims of the citizens or subjects of other nations, the Government of Venezuela shall set apart for this purpose, and alienate to no other purpose, beginning with the month of March, 1903, thirty per cent, in monthly payments of the customs revenues of La Guaira and Puerto Cabello, and the payments thus set aside shall be divided and distributed in conformity with the decision of the Hague Tribunal.

In the case of the failure to carry out the above agreement, Belgian officials shall be placed in charge of

the customs of the two ports, and shall administer them until the liabilities of the Venezuelan Government in respect to the above claims shall have been discharged. The reference of the question above stated to the Hague Tribunal will be the subject of a separate protocol.

ARTICLE VI.

All existing and unsatisfied awards in favor of the citizens of the United States shall be promptly paid, according to the terms of the respective awards.

Washington, D.C. February 17, 1903.

John Hay
Herbert W. Bowen ¹

¹ FRUS, 1903: 804-805.

Appendix D
Agreement Between the Powers and Venezuela
May 7, 1903

Protocol of an agreement between Venezuela and Germany, Great Britain, and Italy. To which the United States and other great powers are parties. Respecting the reference of the question of the preferential treatment of claims to the tribunal at the Hague.

Signed at Washington May 7, 1903.

Whereas protocols have been signed between Venezuela on one hand, and Great Britain, Germany, Italy, United States of America, France, Spain, Belgium, the Netherlands, Sweden and Norway, and Mexico, on the other hand, containing certain conditions agreed upon for settlement of claims against the Venezuelan Government;

And whereas certain further questions arising out of the action taken by the Governments of Great Britain, Germany, and Italy, in connection with the settlement of their claims, have not proved to be susceptible of settlement by ordinary diplomatic methods;

And whereas the Powers interested are resolved to determine these questions by reference to arbitration in accordance with the provisions of the Convention for the Pacific Settlement of International Disputes, signed at The Hague on the 29th July, 1899; The Governments of Germany, Great Britain, and Italy have, with a view to carry out that Resolution, authorized their Representatives, that is to say:

For Venezuela, Mr. Herbert W. Bowen, duly authorized thereto by the Government of Venezuela, and, The Imperial German Minister Baron Speck von Sternburg as the representative of the Imperial German Government, for Great Britain His Excellency Sir Michael Henry Herbert G.C.M.G.C.B., His Britannic Majesty's Ambassador Extraordinary and Plenipotentiary to the United States and America, for Italy, His Excellency Nobile Edmondo Mayor des Planches, His Majesty The King of Italy's Ambassador Extraordinary and Plenipotentiary to the United States of America; to conclude the following agreement:

ARTICLE I.

The question as to whether or not Great Britain, Germany, and Italy are entitled to preferential or separate treatment in the payment of their claims against Venezuela shall be submitted for final decision to the tribunal at The Hague.

Venezuela having agreed to set aside thirty per cent of the Customs Revenues of La Guaira and Puerto Cabello for the payment of the claims of all nations against Venezuela the Tribunal at the Hague shall decide how said revenues shall be divided between the Blockading Powers on the one hand, and the other Creditor Powers on the other

hand, and its decision shall be final.

If preferential or separate treatment is not given to the Blockading Powers, the Tribunal at the Hague shall decide how said revenues shall be distributed among all the Creditor Powers, and the Parties hereto agree that the Tribunal in that case shall consider, in connection with the payment of the claims out of the 30 per cent, any preference or pledges of revenue enjoyed by any of the Creditor Powers, and shall accordingly decide the question of distribution so that no Power shall obtain preferential treatment, and its decision shall be final.

ARTICLE II.

The facts on which shall depend the decision of the questions stated in Article I shall be ascertained in such manner as the Tribunal may determine.

ARTICLE III.

The Emperor of Russia shall be invited to name and appoint from the members of the Permanent Court of the Hague three arbitrators to constitute the Tribunal which is to determine and settle the questions submitted to it under and by virtue of this Agreement. None of the arbitrators so appointed shall be a citizen or subject of any of the Signatory or Creditor Powers.

This Tribunal shall meet on the first day of September, 1903, and shall render its decision within six months thereafter:

ARTICLE IV.

The proceedings shall be carried on in the English language, but arguments may, with the permission of the Tribunal, be made in any other language also.

Except as herein otherwise stipulated the procedure shall be regulated by the Convention of the Hague of July 29, 1899.

ARTICLE V.

The Tribunal shall, subject to the general provisions laid down in Article 57 of the International Convention of July 29, 1899, also decide how, when and by whom the costs of this arbitration shall be paid.

ARTICLE VI.

Any nation having claims against Venezuela may join as a party in the arbitration provided for by this agreement.

Done at Washington this seventh day of May, 1903.

Herbert W. Bowen
Sternburg
Michael H. Herbert
E. Mayor des Planches

The undersigned nations having claims against Venezuela hereby join with her as parties in the arbitration provided for in the foregoing protocol.

For the United States of America John Hay

For the Republic of Mexico M. de Azpiroz

For Sweden and Norway
May 27, 1903. A. Grip

L'Ambassadeur de France, dument autorise au nom de son Gouvernement, adhere au Protocole ci-dessus, sous reserve qu'il est bien entendu que l'article IV du dit protocole ne fera pas obstacle a l'application de la disposition de l'article 38 de l'acte de La Haye, aux termes de laquelle c'est le tribunal arbitral qui decide du choix, des langues dont il fera usage et dont l'emploi sera autorise devant lui.

1 Juin 1903 Jusserand

Le Ministre de Belgique, dument autorise et agissant au nom de son gouvernement adhere au protocole ci-dessus.
12 Juin 1903 Bn Moncheur.

Le Ministre des Pays-Bas, dument autorise et agissant au nom de son Gouvernement adhere au protocole ci-dessus,
Washington, le 13 Juin, 1903. Gevers.¹

¹ FRUS, 1903: 439-441, also 477-479, 611-613.

Appendix E
The Roosevelt Corollary
December 6, 1904

THE ROOSEVELT COROLLARY:

If a nation shows it knows how to act with reasonable efficiency and decency in social and political matters, if it keeps order and pays its obligations, it need fear no interference from the United States. Chronic wrongdoing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to an exercise of an international police power. If every country washed by the Caribbean Sea would show the progress in stable and just civilization which with the aid of the Platt amendment Cuba has shown since our troops left the island, and which so many of the republics in both Americas are constantly and brilliantly showing, all question of interference by this nation with their affairs would be at an end. Our interests and those of our southern neighbors are in reality identical. They have great natural riches, and if within their borders the reign of law and justice obtains, prosperity is sure to come to them. While they thus obey the primary laws of civilized society they may rest assured that they will be treated by us in a spirit of cordial and helpful sympathy. We would interfere with them only in the last resort, and then only if it became evident that their inability or unwillingness to do justice at home and abroad had violated the rights of the United States or had invited foreign aggression to the detriment of the entire body of American nations. It is a mere truism to say that every nation, whether in America or anywhere else, which desires to maintain its freedom, its independence, must ultimately realize that the right of such independence can not be separated from the responsibility of making good use of it. In asserting the Monroe Doctrine, in taking such steps as we have taken in regard to Cuba, Venezuela, and Panama, and in endeavoring to circumscribe the theater of war in the Far East, and to secure an open door in China, we have acted in our own interest as well as in the interest of humanity at large.¹

¹Message of Theodore Roosevelt to Congress, December 6, 1904. In Clark, 231.

Appendix F

Excepts from the introduction of the
Memorandum on the Monroe Doctrine by J. Reuben Clark
December 17, 1928

The so-called "Roosevelt corollary" was to the effect, as generally understood, that in the case of financial or other difficulties in weak Latin American countries, the United States should attempt an adjustment thereof lest European Governments should intervene, and intervening should occupy territory - an act which would be contrary to the principles of the Monroe Doctrine.

It is not believed that this corollary is justified by the terms of the Monroe Doctrine, however much it is justified by the application of the doctrine of self-preservation.

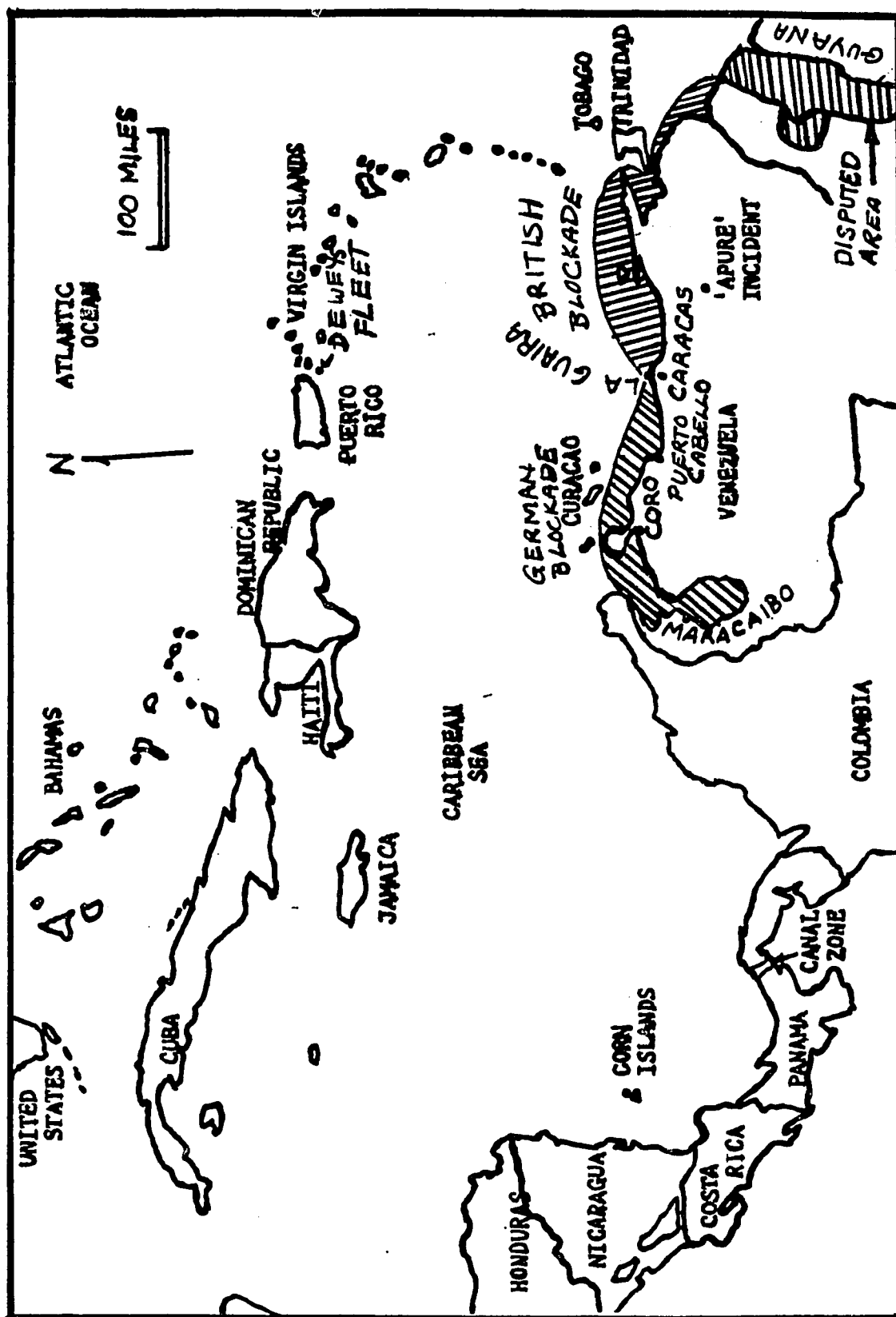
The Doctrine does not concern itself with purely inter American relations; it has nothing to do with the relationship between the United States and other American nations, except where other American nations shall become involved with European governments in arrangements which threaten the security of the United States, and even in such cases, the Doctrine runs against the European country, not the American nation, and the United States would primarily deal thereunder with the European country and not with the American nation concerned. The Doctrine states a case of the United States vs. Europe, and not of the United States vs. Latin America.

(signed)
J. Reuben Clark¹

December 17, 1928.

¹Clark, ix-xxiv.

Appendix G
Map of the Caribbean Area



Map of the Caribbean Area

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