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Banana Republics and Bonds: Taming the Empire's Backyard (1898–1950)

Laborers are wanted in Hawaii to work in the sugar fields, and in Cuba for the iron mines. Good wages are offered, and many are persuaded to emigrate.

—*Charles Allen, governor of Puerto Rico, 1900–1901*

Victory in the Spanish-American War and the sudden acquisition of overseas colonies made the nation uneasy at first. True, Frederick Jackson Turner and others were espousing the view that territorial expansion and Anglo-American freedom were inseparable, and most Americans believed that, but occupying foreign lands and lording over their peoples seemed to contradict the very liberties for which the nation had fought its own revolution. Not surprisingly, the war with Spain led to our first anti-imperialist movement—against suppression of the Filipino independence movement.

On the whole, outright territorial annexations ceased after 1898. Wars of conquest, the sanctioning of armed invasions by filibuster groups, the purchase of territories, gave way to gunboat diplomacy and to a more disguised yet far more extensive system of financial domination. Economic conquest replaced outright political annexation, as the region evolved into the incubator for the multinational American corporation. By 1924, Latin America accounted for nearly half of all foreign U.S. investment, according to one U.S. Department of Commerce estimate (see table 2).

How that gunboat diplomacy and economic penetration deformed the Caribbean region's economy and paved the way for the huge influx of Latino immigrants during the second half of the twentieth century is the subject of this chapter.

TABLE 2
U.S. DIRECT INVESTMENT[1]
1924

	(Millions)
Europe	$1,000
Asia and Oceania	690
Latin America	4,040
Canada and Newfoundland	2,460

As we shall see, a series of military occupations early in the century—sometimes brief, sometimes lasting decades, but always for the most spurious of reasons—allowed U.S. banks and corporations to gain control over key industries in every country. Latin American ventures sprang up on Wall Street overnight as sugar, fruit, railroad, mining, gas, and electric company executives raced south on the heels of the marines. Thanks to the aid of pliant local elites and of U.S. diplomats or military commanders who often ended up as partners or managers of the new firms, the newcomers quickly corralled lucrative concessions while the host countries fell deeper into debt and dependence.

Whenever conflict erupted with a recalcitrant nationalist leader, the foreign companies simply called on Washington to intervene. The pretext was usually to save U.S. citizens or to prevent anarchy near our borders. To justify those interventions, our diplomats told people back home the Latin Americans were incapable of responsible government. Journalists, novelists, and film producers reinforced that message. They fashioned and perpetuated the image of El Jefe, the swarthy, ruthless dictator with slick black hair, scarcely literate broken-English accent, dark sunglasses and sadistic personality, who ruled by fiat over a banana republic. Yet even as they propagated that image, our bankers and politicians kept peddling unsound loans at usurious rates to those very dictators.

Critical details of how the dictators rose to power and terrorized their people with Washington's help, or how their regimes provided a "friendly" business climate for North American firms, remained hidden deep in diplomatic correspondences. As U.S.-owned plantations spread rapidly into Mexico, Cuba, Puerto Rico, the Dominican Republic, Honduras, and Guatemala, millions of peasants were forced from their lands. Some were even displaced from their native countries when some of those same firms initiated cross-border labor recruitment efforts to meet the shifting labor needs of their far-flung subsidiaries. At first, the migratory labor streams flowed largely *between* the subject countries. West Indians, for instance, were recruited to build the Panama Canal, Haitians to cut sugar in the Dominican Republic, Puerto Ricans for the cane fields of Hawaii. But beginning with World War II, which shut down the supply of European labor, North American industrialists initiated massive contracting of Latin Americans for the domestic labor front. Thus began a migration process whose long-term results would transform twentieth-century America.

PUERTO RICO

Nowhere did the new U.S. policy leave such a profound legacy as in Puerto Rico. When General Nelson Miles landed in the town of Guánica on July 25, 1898, in the midst of the Spanish-American War, most Puerto Ricans greeted his arrival and rejoiced at his promise to end Spanish colonialism. "Our purpose is not to interfere with the existing laws and customs which are beneficial for your people," Miles declared in a proclamation.[2] Few imagined then that the island would remain a U.S. possession for the entire twentieth century, or that it would become the most important colony in our own country's history. Two years after the occupation started, Congress passed the Foraker Act, which declared the island a U.S. territory and authorized the president to appoint its civilian governor and top administrators. The new law permitted islanders their own House of Delegates, but it reserved for Congress the right to annul any laws those delegates passed. It assigned trade, treaty, postal, sanitary, and military powers to the federal government and it gave the island only one nonvoting delegate in Congress.[3] In many ways, the Foraker Act gave Puerto Ricans less self-government than they had enjoyed under Spain. Throughout most of the nineteenth century, after all, Puerto Ricans had been citizens of Spain and island voters had sent as many as sixteen voting delegates to the Spanish Cortes. And, in 1897, Spain had promulgated a new Charter of Autonomy, which gave the island virtual sovereignty.[4]

The Foraker Act, though, went beyond disenfranchising Puerto Ricans. It forbade the island from making commercial treaties with other countries and it replaced the Puerto Rican peso with the American dollar, while devaluing the peso.[5] This made it easier for U.S. sugar companies

to gobble up Puerto Rican–owned lands. As a result, thousands of former independent coffee farmers joined the ranks of the mushrooming agricultural proletariat.

Legal challenges to the new law quickly led to several precedent-setting cases before the Supreme Court. Known as the "Insular Cases," they were all decided by a narrow one-vote margin, yet they have provided the principal legal backing for this country's holding of colonies to the present day. They are the equivalent for Puerto Ricans of the Dred Scott Decision for African Americans. Ironically, the same group of justices ruled in Dred Scott and the Insular Cases. The pivotal decision was *Downes* v. *Bidwell* in 1901. In that case, the Court ruled that "the Island of Porto Rico is a territory appurtenant and belonging to the United States, but not a part of the United States within the revenue clauses of the Constitution."[6] Since the island was not an incorporated territory of the United States, as the frontier territories had been, the Court ruled that the Constitution did not automatically apply in Puerto Rico unless Congress specifically granted Puerto Ricans citizenship.[7] In his dissent, Justice John Marshall Harlan issued a most eloquent rebuttal to the horrendous implications of the decision: "The idea that this country may acquire territories anywhere upon the earth, by conquest or treaty, and hold them as mere colonies or provinces, the people inhabiting them to enjoy only such rights as Congress chooses to accord to them, is wholly inconsistent with the spirit and genius as well as with the words of the Constitution."[8]

Despite the Foraker Act and the Insular Cases, many Puerto Ricans continued to back the U.S. occupation. Labor leaders who had suffered persecution under Spain, and big landowners who saw statehood as opening the U.S. market to their products, especially welcomed it. Trade union leaders never forgot that General Miles's soldiers freed from a Spanish jail the island's legendary labor figure, Santiago Iglesias. Iglesias and his Socialist Party turned into relentless advocates for statehood.[9] So was Luisa Capetillo, the feminist and anarchist popularly known as the first woman in Puerto Rico to wear pants in public. Capetillo blasted those who called for independence as "egotists, exploiters and aristocrats" who were trying to divide Puerto Rican and American workers.[10]

After the Foraker Act's passage, U.S. sugar growers flocked to the island. They not only set up plantations but also began recruiting Puerto Rican cane cutters to work in their overseas subsidiaries. Charles Allen, island governor from 1900 to 1901, noted that Anglo emigration agents

> penetrated the rural districts and offered golden inducements to these simple folk to travel and see foreign lands. Laborers are wanted in Hawaii to work in the sugar fields and in Cuba for the iron mines. Good wages are offered, and many are persuaded to emigrate. They crowd the seaport towns of Ponce, Mayaguez and Guanica. Very few embark at San Juan. . . . Most of them have gone to Honolulu, some thousands have gone to Cuba, and a few to Santo Domingo.[11]

Between 1900 and 1901, more than five thousand Puerto Ricans were transported to Hawaii in a dozen shiploads under contract to the Hawaii Sugar Planters Association.[12] It was a traumatic odyssey, first by ship to New Orleans, then by train to San Francisco, then by ship again to Honolulu, and scores escaped along the way from the harsh treatment they received.[13] The bulk of the migrants eventually settled on Oahu, where they founded the first major Puerto Rican community outside their homeland.

Back in Washington, Congress repeatedly turned down petitions by Puerto Rican leaders for full self-rule and eventual statehood for the island, angering even the most avidly pro-annexation leaders, like Dr. Julio Henna and José Celso Barbosa. By 1914, the full Puerto Rican House of Delegates, frustrated by this intransigence, asked Washington to cede the island its independence. Congress responded instead with the Jones Act in 1917, imposing U.S. citizenship on all Puerto Ricans over the unanimous objection of their House of Delegates.

"The Congress of the United States," declared Minnesota representative Clarence Miller, "says to the people of Porto Rico, once and for all, that they are part of the United States domain and will always remain there; that the legislation for independence in Porto Rico must come to a decided and permanent end."[14]

For the next thirty years, the island remained a direct colony, its Anglo governors appointed by the president, its population virtually ignored by Congress, and U.S. policy toward it controlled by a handful of American sugar companies. The companies so exploited their workers that in the 1930s and 1940s, Puerto Rico became notorious as the poorhouse of the Caribbean and as a hotbed for strikes and anti-American violence. Not until 1948, in response to a growing nationalist movement and to pressure from the United Nations to end colonialism, did Congress allow Puerto Ricans to elect their own governor. Four years later, the United States approved a form of limited self-rule, the Commonwealth of Puerto Rico, which exists to this day.

In fashioning this new political relationship, the Roosevelt and Truman administrations found an able ally in Luis Muñoz Marín, perhaps the most influential figure in the island's modern history. A socialist and *independentista* as a young man, Muñoz became an admirer of Roosevelt and founded the Popular Democratic Party as a New Deal vehicle for the island. Once he gained control of the island's legislature, he pioneered a rapid industrialization program, Operation Bootstrap, which he turned into an economic development model for Third World countries. He lured foreign investment to the island, invariably U.S. companies, by offering them low wages, a tax-free environment to set up their factories, and duty-free export to the mainland.

Flushed by his early economic success, Muñoz deserted the pro-independence majority within his own party and opted instead for a form of local autonomy that would keep the island tied to the U.S. economy. That autonomy, Muñoz promised, would only be a transition stage to independence, and in the meantime, Puerto Ricans would retain their own language and culture. The voters, buoyed by the island's postwar prosperity, approved his commonwealth model in 1952. His opponents blasted the referendum as a fraud, since it offered a choice only between the existing colony or commonwealth, and neither independence nor statehood was on the ballot.

After the commonwealth vote, Washington began proudly pointing to Puerto Rico in international circles as a "showcase of the Caribbean," both politically and economically. True, by the 1950s the island was boasting one of the highest average incomes in Latin America, but the glowing statistics masked another reality. Every year, the number of people abandoning the countryside for Puerto Rico's cities far outnumbered the new jobs the economy was creating. To prevent renewed unrest, Muñoz and officials in Washington started to encourage emigration north. By the early 1950s, their policy was sparking the largest flight of Latin Americans to the United States that the hemisphere had ever seen (see chapter 4).

CUBA

The U.S. occupation of Cuba followed a far different path. Much richer in resources than Puerto Rico, with a developed native landowning class and a battle-tested independence army, Cuba was not easily subdued. During the initial occupation, U.S. officials turned the island into a protectorate by forcing the Platt Amendment into the Cuban constitution.

The first occupation government improved roads and health care and opened many new schools. It also presided over a rush of foreign investment. Cuban landowners, crushed by the debt and property destruction of the independence war, fell prey to American fortune hunters. "Nowhere else in the world are there such chances . . . for the man of moderate means, as well as for the capitalist as Cuba offers today,"[15] boasted an investor of the period. "A poor man's paradise and the rich man's Mecca," said the *Commercial and Financial World* in describing the island. Percival Farquhar, for example, arrived in 1898 and soon controlled an electrification project and a railroad from Havana to Santiago. Minor Keith's United Fruit Company acquired 200,000 acres for a pittance.[16] By 1902, the new Tobacco Trust in the United States controlled 90 percent of the export trade in Havana cigars. All told, U.S. investments nearly doubled, to $100 million, between 1895 and 1902.[17]

The Cuban elite, led by Tomás Estrada Palma, a naturalized U.S. citizen whom the U.S. installed as the country's first president, welcomed the Americans at first, in return for a slice of the growing economic pie. Estrada Palma, like many well-to-do Cubans, favored eventual U.S. annexation. His reelection bid in 1905, however, was marred by widespread voter fraud that provoked violent protests. U.S. troops returned in 1906, installed a provisional government, and stayed for three years.

This second occupation, headed by General Charles E. Magoon, ended up looting the country. When Magoon arrived, Cuba's national treasury had a $13 million surplus; when he left, it had a $12 million deficit. Public works projects he ordered routinely turned into boondoggles that lined the pockets of U.S. contractors. The plum of those concessions went to Frank Steinhart, who had arrived in Cuba as an army sergeant during the first occupation government and then landed appointment as American consul general in Havana after the troops left. Steinhart then lobbied Washington for a second military occupation and provided valuable intelligence to the U.S. troops. To reward him, General Magoon gave Steinhart the lucrative concession for expanding the Havana Electric Railway, Light and Power Company. Magoon also permitted him, as financial representative for Wall Street's Speyer and Company, to broker a $16.5 million loan to Cuba in 1909 for Havana sewage construction. By 1921, Havana Electric was reporting profits of $5 million a year and the public was calling Steinhart Cuba's Rockefeller.[18]

U.S. soldiers returned for a third time in 1912 to put down a racially charged revolt by black sugar workers. By then, nearly ten thousand Americans were living on the island: they ran the railroads, public utilities, mining and manufacturing companies, sugar and tobacco plantations, shipping and banking concerns, and held much of the government's debt.[19] More than three-fourths of the land was owned by foreigners.[20] Government employment and managerial jobs with foreign companies became the main source of income for the native upper class, and public corruption its primary source of wealth.[21] In 1917, President Wilson dispatched troops for a fourth time to help put down a rebellion against Conservative leader Mario García Menocal, the U.S.-backed candidate who had been reelected president in yet another fraud-tainted vote.

Soaring unemployment in the early 1920s forced many Cuban workers to follow in the tracks of their countrymen who had migrated to the United States during the nineteenth century. The new wave of immigrants settled in New Orleans, New York, Key West, and especially Tampa, where Spanish, Cuban, and Italian cigar makers had established a thriving industry.[22] At home, the crisis led to frequent labor strikes, and out of that unrest emerged Gerardo Machado, the country's first modern dictator. President Machado made Cuba hospitable for uneasy foreign investors by crushing or co-opting the rebellious labor movement. He enjoyed strong support from the directors of National City Bank, J. P. Morgan and Company, and Chase, who showered his government with loans. With each new loan, however, the bankers exacted more control over his government's spending. As the years passed and Machado's reign of terror grew, so did popular resistance.

After one such uprising paralyzed the country in 1933, President Roosevelt concluded that Machado had to go. Roosevelt sent veteran emissary Sumner Welles to head off the unrest by forcing the dictator's resignation. But Welles arrived too late. A nationwide general strike toppled both Machado and a U.S.-backed transitional government and brought to power a provisional revolutionary government, one that Welles could not control. The new government, led by Ramón Grau San Martín, embarked on a radical transformation of the country. It abolished the Platt Amendment, gave women the right to vote, and decreed a minimum wage and an eight-hour day. The liberal revolution Grau launched lasted a mere one hundred days.

Welles was horrified by the Grau government's threat to U.S. interests. Although he considered himself a liberal, Welles, like most U.S. emissaries to Latin America, insisted on local leaders following his wishes. When the Grau government refused to listen, Welles urged Fulgencio Batista, the new commander of the Cuban army, to stage a coup. In January 1934, Batista, whom Welles would laud as an "extraordinarily brilliant and able figure," did just that.[23] Batista's soldiers unleashed a bloody repression that crushed the Grau movement, killing or jailing most of its leaders and scattering the rest into exile abroad. From 1934 to 1944, whether as army strongman or president, Batista became Cuba's unquestioned ruler. To the United States, he offered welcome stability for foreign investors. To the Cuban people, he offered social reforms aimed at improving conditions among the poor. He accomplished the latter by cleverly coopting the program of the Grau movement he had just destroyed. Batista even legalized the Communist Party in exchange for its guaranteeing him the support of Cuba's trade unions. And, in 1940, he oversaw the writing of the most democratic and progressive constitution in Cuba's history. Those reforms were made easier by temporary economic prosperity that bolstered Batista's standing, a prosperity brought about by World War II, and by the increased demand for Cuban agricultural products in the United States. Despite that prosperity, Grau San Martín, who still had a big popular following, won the presidential elections in 1944, and his party stayed in power for the next eight years. Grau's Auténtico Party, however, proved to be the most corrupt in Cuban history. So many officials robbed the treasury that Batista staged another coup in 1952 and easily returned to power. His second period as maximum leader (1952–1958) was even more ruthless than the first. Once again, he jailed or simply eliminated his opponents, but this time, he failed to produce any economic miracles. This time, Cuba's economy, by now a total appendage of the U.S. market, started unraveling. Unemployment skyrocketed, incomes dropped, prostitution and corruption became rampant, and Batista increasingly depended for his power on a bizarre alliance of Wall Street investors, mobsters, and the Cuban managers of U.S. corporations.[24] The Batista dictatorship finally collapsed when the guerrillas of Fidel Castro's Twenty-sixth of July Movement marched into Havana on January 1, 1959.

PANAMA

After Cuba and Puerto Rico, the single largest U.S. expansion into Latin America was the Panama Canal, a project so ambitious, so grandiose, and so critical to the U.S. quest for economic power in the world that President Teddy Roosevelt devised a whole new nation just to house it. As mentioned earlier, commercial groups in the United States had been calling for a Central American canal since the 1850s, with rival groups backing either a project through the mosquito-infested jungle of Colombia's Darién province, or the route along Vanderbilt's old steamship and stagecoach line in Nicaragua. Nicaragua had the widest initial support

among most engineers who had studied the project. But Ohio senator Mark Hanna, the powerful chairman of the national Republican Party, had other ideas. Hanna's close friend, New York lawyer William Nelson Cromwell, was an investor in the Panama route. A $60,000 donation by Cromwell to the Republicans in the midst of the debate seems to have strengthened Hanna's resolve and enabled him to secure a congressional majority for the Panama route.[25]

Colombia's president at the time was José Manuel Marroquín. As luck would have it, Marroquín had just come through a costly three-year civil war and was seeking a quick infusion of cash to bolster his exhausted treasury. So he offered President Teddy Roosevelt precisely what Nicaragua's president at the time, José Santos Zelaya, was refusing to give the United States—sovereignty over a ten-kilometer zone on both sides of the canal route. The result was the Hay-Herrán Treaty of 1903. But the treaty hit a snag at the last moment when Marroquín's opponents in the Colombian congress rejected the ten-kilometer provision as a violation of national sovereignty.

Their rejection enraged Roosevelt, who was not about to permit some petty feud among inferior Latin Americans to stop the greatest engineering project in U.S. history. Roosevelt countered by backing a plan for the province's armed secession. With the president's backing, Cromwell, along with Frenchman Philippe Bunau-Varilla and Panamanian Manuel Amador, both investors in the Panama project, prepared a blueprint for the uprising during a series of meetings in a New York hotel. On November 2, 1903, Bunau-Varilla and Amador led a rebel band that captured the port towns of Panama City and Colón. While U.S. sailors dispatched by Roosevelt assured the revolt's success by blocking the entry of Colombian troops into Colón harbor, Amador proclaimed Panama's independence. The new Panamanian government promptly named Bunau-Varilla its new ambassador to the United States, and he lost no time in signing the now renamed Hay–Bunau-Varilla Treaty. So embarrassing was the "independence" revolt that Congress was forced to hold hearings in which Roosevelt's role as the Panamanian godfather was revealed.[26]

It took ten long years (1904 to 1914) and 35,000 workers for the U.S. Panama Canal Company to complete the project. Most of the workers were English-speaking West Indians recruited by the company. If you include the families of those workers, more than 150,000 West Indians migrated to Panama during construction. This enormous migration, which equaled more than a third of Panama's Spanish and Indian population of 400,000, transformed every aspect of the new country's life.[27]

While press accounts praised the marvelous North American engineering feat through some of the world's thickest jungle, they rarely mentioned the critical role immigrant black workers played, or their disproportionate sacrifice. During the first ten months of 1906, for instance, the death rate for white canal employees was seventeen per thousand, while among West Indians, it was fifty-nine per thousand.[28]

The canal's opening led to enormous expansion of transoceanic trade for the United States, and the waterway became an invaluable military resource for the country during both World War I and World War II. The Canal Zone itself soon evolved into a miniature separate country within Panama, with several U.S. military bases and thousands of troops permanently assigned to guard it. Many of the West Indian laborers could not afford to return home when the main construction was complete, so they stayed on as maintenance workers. Canal Zone administrators and military commanders, many of them white southerners, soon replicated the same racial apartheid system that had existed for centuries in the American South. They established separate "gold" payrolls for American citizens and much lower "silver" ones for the noncitizen West Indians. Native Panamanians, meanwhile, were excluded from any jobs in the Zone. Blacks lived in squalid segregated company towns, while the whites resided in more opulent Zone communities, where everything from housing to health care to vacations were subsidized by the federal government.[29] For decades afterward, West Indians and Panamanians clashed with each other and with the Zone's Anglo American minority over the discriminatory conditions (see chapter 9).

But the checkered story of U.S. control in Panama, Puerto Rico, and Cuba pales beside the bloody sagas of the Dominican Republic and Nicaragua, where long U.S. military occupations provoked costly guerrilla wars.

THE DOMINICAN REPUBLIC

The U.S. presence in the Dominican Republic, as we have noted, began with nineteenth century dictator Ulises Heureaux, who saddled his country with massive foreign debt. To stave off bankruptcy, he hatched a refinancing plan in 1892 with the country's Dutch creditors and some New York investors. As part of the scheme, the Dutch sold their debt to a newly formed U.S. firm, the Santo Domingo Improvement Company, one of whose officers was a member of President Benjamin Harrison's cabinet. The new firm paid off the Dutch bonds and secretly gave Heureaux millions of dollars in new loans. Heureaux, in turn, gave the firm control of the national bank and one of the country's two railroads.

Only after Heureaux's assassination in 1896 did the new Dominican government discover that the former president had racked up $34 million in debt, the bulk of it to foreign creditors. The country's annual customs revenues, its main source of income at the time, was a mere $2 million. A good portion of the debt, it turned out, had been fraudulently marketed by the Improvement Company to unsuspecting Catholic farmers in Europe who thought they were lending money to the Dominican religious order, not the Dominican Republic![30]

When a financial crisis hit in 1905, and customs revenues plummeted, the new government suspended debt payments, prompting several European powers to threaten intervention. President Roosevelt, worried that sea lanes to his unfinished Panama Canal might be imperiled by a European occupation, stepped in and offered to consolidate the Dominican debt with a new loan from a New York bank. Roosevelt insisted, however, that the Dominicans turn over all customs revenues to a U.S.-appointed agent and earmark the lion's share of it for debt service. No longer would they be able to raise government spending or increase taxes without U.S. consent.

From that point on, the country was effectively a financial protectorate. Once Roosevelt's overseers arrived, they jump-started additional legal reforms to benefit foreign investors. In 1906, for instance, they pressured the government to grant tax exemptions to all sugar produced for export. In 1911, they convinced it to permit the division of communally owned lands, making it easier for sugar growers to enlarge their holdings. Each time Dominican officials balked at some new demand from Washington, Yankee warships appeared offshore to force their submission.

Defenders of the protectorate justified it by pointing to the country's history of political violence and instability—in the first seventy-two years of independence, Dominicans had experienced twenty-nine coups and forty-eight presidents. Some of the very people who ridiculed Dominican instability, however, conveniently overlooked that foreigners had financed much of the fighting. By 1915, a decade after Washington's protectorate commenced, political violence had not diminished. Rather than question its methods, Washington chose to tighten its hold on the country's purse strings.

By then, war was looming in Europe, and President Woodrow Wilson had a new worry, that a major faction in Dominican politics might try to ally their country with Germany. To avert that possibility, he demanded from the president, Juan Isidro Jiménez, the right to appoint U.S. citizens to key posts in the Dominican government and to replace the country's army with a new U.S.-trained National Guard. For a nation that had fought so long against Spanish, Haitian, and French occupation, these new conditions were unacceptable. Even Jiménez, who had been installed by the United States, rejected them. Wilson retaliated by freezing the government's customs revenues. Still, the population refused to back down; thousands of government employees rallied behind their leaders and worked for months without pay.

In May 1916, Wilson sent in the marines, dissolved the legislature, imposed martial law and press censorship, and jailed hundreds of opponents. The occupation would last eight long years. It prompted widespread protests against the United States throughout Latin America, created deep bitterness in the Dominican population, and radically altered every sphere of Dominican society.

Supporters of the occupation point to the many improvements the marines brought about—supervising construction of the Caribbean's most modern highway system, reforming government financing, building hundreds of public schools, and carrying out successful public health campaigns against malaria, and venereal and intestinal diseases. But the building program was financed with more foreign borrowing and by new taxes on property, alcohol, and other domestic manufacturing. And much of the early prosperity the country enjoyed was due to the war in Europe, which drove up the demand for sugar, tobacco, and other Dominican agricultural products. And no matter how the economy fared, Dominicans chafed under successive martial law governors who ruled them arrogantly in their own country. Even the elite in the cities refused to cooperate with the occupation army.

In the eastern part of the country, around the sugar plantation region of San Pedro de Macorís and Romana, a half-dozen peasant bands mounted sporadic guerrilla resistance. The guerrillas, led by Martín Peguero, Ramón Natera, and Vicente Evangelista, proved adept at frustrating the Americans. Marines dispatched to the area committed so many atrocities against the local population that they drove most civilians to the side of the guerrillas.[31]

The infrastructure and health improvements the marines ushered in did not compare to the profound economic and military changes they set in motion. Those changes left the country irreversibly dependent on the United States. In 1919, for instance, a customs law opened the country to imports by declaring 245 U.S. products duty-free, while it sharply lowered tariffs on 700 others. The surge of imports that ensued drove many local Dominican producers out of business.

New property tax and land registration acts followed. The land law, in particular, created tremendous upheaval. Like all former Spanish colonies, the Dominican Republic's land tenure system had revolved for centuries around family-owned *mayorazgos.* The holdings of individuals were rarely demarcated from the rest of the family; informal agreements on land use predominated. The first land speculators and planters from the United States found the system an obstacle to the quick buying and selling of property. So, just as in Texas, California, and other former Spanish territories, they quickly set about rewriting the land laws. The sugar companies made the first try in 1911, but Dominicans were slow to implement the changes, and massive forging of titles and poor records doomed the effort. But the occupation government was more efficient. The marines ordered the immediate registration, surveying, and division of all communal lands and created a new land court to arbitrate disputes and administer the law.

As might be expected, the sugar companies hired the best lawyers and quickly bamboozled or bested thousands of illiterate peasants in the new land courts. Take the case of the New York–based Barahona Company, which was organized in 1916, the year of the invasion. By 1925, it had amassed 49,400 acres, largely from buying communal holdings, and was the second-largest plantation in the country. The Central Romana mushroomed in size from 3,000 acres in 1912 to 155,000 acres in 1925.[32] By 1924, twenty-one sugar companies controlled 438,000 acres—a quarter of the country's arable land. More than 80 percent of it belonged to twelve U.S. companies.[33] As land for subsistence farming diminished, staples had to be imported from the United States and the prices of food skyrocketed.[34]

But the sugar boom did not lead to higher wages. Instead of increasing what they paid their Spanish-speaking workers, the growers shifted to bringing in English-speaking blacks from Jamaica, the Virgin Islands, and Turks and Caicos, whom they regarded as more docile and better suited to their needs than the Dominicans, Cubans, or Puerto Ricans. At some Dominican sugar mills, the entire workforce became English-speaking. Many of those migrants settled in the country after the harvest season, and their descendants inhabit areas around the old mills to this day. Local residents, angry at how the immigrant blacks siphoned jobs away from natives, took to labeling them *cocolos,* a racial pejorative that still persists in the Caribbean.[35] Finally, the American planters at Central

Romana and other giant mills turned to Haitian laborers. Nearly half of 22,000 contract workers officially imported in 1920 were Haitians, but some estimates put the number of legal and illegal Haitians during the harvest season as high as 100,000.

Appalled by the greed of the sugar companies, military governor Harry S. Knapp protested to the secretary of the navy in 1917: "I would greatly prefer to see the Dominican people, and especially the poorer classes, brought to the point where they can work a small plot of land on their own account and leaving the fruits of their labors in Santo Domingo, than to see great companies come here and exploit the country, taking out of it immense sums in the form of their profits."[36] Knapp's complaints were ignored.

The occupation's other lasting legacy was the national police. As soon as they landed, the marines set about building a modern force that could control the population permanently. Unfortunately, once the marines left, that force copied the same arbitrary methods of the occupation army. One of the early recruits to the new police force was a former security guard for one of the sugar companies, Rafael Leónidas Trujillo. American commanders, impressed with the young man's intelligence and leadership ability, promoted him rapidly through the ranks.

In 1920, Republican Warren Harding captured the White House, and the new president dispatched Sumner Welles, the same diplomat who would later engineer Batista's coup, to arrange a U.S. withdrawal from Santo Domingo. Welles antagonized most Dominican leaders with his heavy-handed meddling in their plans for a postevacuation government while he was simultaneously lobbying for business contracts for his friends in the United States. Those contracts saddled the country with even greater debt than before the occupation.[37] It was not until 1924 that Welles finally arranged the withdrawal of the marines. Once they were gone, Trujillo, who was notorious for his corruption and ruthlessness, rose rapidly to commander of the rechristened national army, then was elected president in 1930 during a campaign in which his soldiers terrorized all opponents. At first, Washington was cold to him, but American diplomats eventually decided his stern methods were preferable to continued instability.

For the next thirty years, either as president or through handpicked successors, Trujillo perfected the most notorious dictatorship in the hemisphere, running the country as a private fiefdom for his family and friends. Known throughout the country as El Jefe, or The Boss, his atrocities became legendary. He routinely kidnapped and raped Dominican women, even the wives and daughters of his subordinates.[38] He tortured, jailed, or executed thousands, including eighteen thousand Haitians massacred by his army in October 1937. His spies even tracked down and murdered his opponents in exile. His psychotic cruelty was immortalized in Gabriel García Márquez's haunting novel, *The Autumn of the Patriarch*. Only when he tried to assassinate the president of Venezuela in 1960 did the U.S. government, hoping to prevent a repeat of Batista's overthrow in Cuba, begin to work for El Jefe's ouster. In May 1961, a group of his own officers assassinated him with the support of the CIA (see chapter 7).

NICARAGUA

Nicaraguans, meanwhile, were living through their own reign of *los jefes*. In their case, it was the rule of Anastasio Somoza García and his family. The Somozas' reign, like Trujillo's and Batista's, had its origins in an American occupation. Despite the debacle of the Walker wars, Nicaragua was a stable and prosperous country at the dawn of the twentieth century, thanks to José Santos Zelaya, a popular Liberal who served as president from 1893 to 1909. On the surface, Zelaya provided the kind of forward-looking, well-managed government other Latin American nations lacked. He even welcomed outside investment and paid the foreign debt on time. But he was also a nationalist, one who handed out lucrative commercial monopolies to favored Nicaraguans while refusing special treatment for foreigners. That brought him into conflict with the handful of U.S. executives who owned extensive banana, mahogany, and mining concessions in the country.

The concessions, all unregulated and untaxed, had been granted by Miskito leaders in the English-speaking Bluefields section along the Atlantic Coast before Zelaya came to power. The foreign managers often quarreled with the central government over new taxes, and in both 1894 and 1899 they fomented unsuccessful anti-Zelaya revolts. Each time, the U.S. Navy intervened to protect their properties from confiscation.[39]

untaxed concessions: removing natural capital for nothing

Zelaya's dispute with the Bluefields companies was just the beginning of his troubles. As we have seen, he lost the transoceanic canal project at the turn of the century because he would not give the United States sovereignty over the transitway. Then, in 1907, war broke out between Nicaragua and a coalition of Honduras, Guatemala, and El Salvador. Zelaya's army won several quick victories and occupied Honduras. With Nicaraguan troops advancing rapidly, the North American banana companies there convinced President Roosevelt to dispatch marines to protect their plantations. U.S. troops were on the verge of confronting

Zelaya's army when secretary of state Elihu Root and Mexican president Porfirio Díaz convinced the Nicaraguan leader to withdraw. Their peace talks ended with the establishment of a Central American Court of Justice to arbitrate future conflicts.[40] The war, however, had raised Zelaya's stature considerably. He was now an unquestioned regional power—much to the discomfort of U.S. officials.

After William Howard Taft succeeded Roosevelt, Taft's secretary of state Philander Chase Knox fashioned a new policy for the Caribbean. Historians dubbed it "dollar diplomacy." Knox, one of the best corporate lawyers of his day, was no stranger to Latin America. He had spent time in Panama and Cuba, and his former law firm represented the Fletcher family of Pittsburgh, which owned two major Nicaraguan firms, the United States and Nicaragua Company, and La Luz and Los Angeles Mining Company.

Knox's idea of financial reform was to set up customs receiverships in the region, and to replace European investment bankers, who held most of Central America's debt, with U.S. companies. To accomplish those ends, Knox did not scoff at calling in the marines.[41] He immediately decided Zelaya was an obstacle. After losing the canal project, Zelaya had embarked on his own vision for a transit route across Nicaragua—a railroad that would unite the west coast to the isolated Atlantic region. He cut a deal with a German firm to build the railway and secured a $1.2 million loan from a British-French syndicate. Such financial independence irked not only Knox but also the banking houses of Brown Brothers, J. W. Seligman, and J. P. Morgan and Company, all of which were seeking a slice of the Central American loan business. In 1909, Juan Estrada, a Liberal Nicaraguan army officer, and Conservative Emiliano Chamorro rebelled against Zelaya. By then, sensational American newspaper accounts had begun vilifying the charismatic president as a butcher and tyrant, creating the first El Jefe stereotype among the American public.[42]

The Estrada rebellion against Zelaya, like that of Amador and Bunau-Varilla in Panama, was hardly homegrown. It was planned in New Orleans and financed by U.S. companies through Alfonso Díaz, an executive of the Fletchers' Los Angeles Mining Company.[43] Scores of Anglo soldiers of fortune joined the rebels as advisers, in a throwback to the old filibuster revolts of the nineteenth century. Among the mercenaries were Godfrey Fowler, an active-duty captain in the Texas National Guard; Leonard Groce, who had been mining in Central America for years; and Virginia-born businessman Lee Roy Canon. Shortly after the

rebellion started, Nicaraguan troops captured Canon and Groce as they were trying to dynamite a troop boat. Zelaya had them court-martialed and sentenced to death. That was all the excuse Taft needed to break diplomatic relations and launch a campaign for Zelaya's ouster. The U.S. pressure quickly forced his resignation, but the crisis ended only when Estrada and Díaz, Washington's choices, gained power in 1910.

The new leaders dutifully carried out all the "reforms" Knox wanted. They refinanced Zelaya's old English-French debt through Brown Brothers and Seligman, they installed a U.S. overseer to collect customs duties, and they invited American troops into the country. In the process, they also looted the treasury.[44] By the middle of 1912, the two Wall Street firms controlled the new National Bank of Nicaragua (chartered in Connecticut), and the Pacific Railroad (incorporated in Maine). Zelaya's own dream of uniting eastern and western Nicaragua by rail line died with his ouster.[45] For the next thirteen years, a small force of marines remained in the country as Washington and Wall Street dictated the country's financial affairs.

The marines left in 1925 but were forced to return the following year when a new civil war erupted. This time, General Chamorro was trying to reinstall Díaz to power over Liberal Juan Sacasa, who had won the previous year's election. The marines claimed neutrality but threw their support to Díaz after peasants in the countryside took up arms to bring the popular Sacasa back to power.[46] The peasant revolt lasted seven years, and it turned rebel leader Augusto César Sandino into a legend. Hundreds of volunteers from other countries joined Sandino's army, as it repeatedly eluded both government forces and the six thousand marines sent by Washington. When those soldiers bombed and machine-gunned to death some three hundred unarmed men, women, and children in a massacre at Ocotal in July 1927, public sentiment in the United States turned against the war occupation.[47] The marines hung on on until the Nicaraguans elected Sacasa president once again in 1932, whereupon public protests forced their withdrawal.

Sandino then rode triumphantly into Managua and embraced Sacasa at the presidential palace. It was the first time the United States had faced defeat in Latin America, and our leaders would not forget it. Before departing, the marines managed to train a new National Guard and install its English-speaking commander, Anastasio Somoza García. Somoza's soldiers ambushed and executed Sandino two years later. The assassination, according to several historians, had the secret backing of Ambassador Arthur Bliss Lane.[48] Somoza wasted little time in ousting

Sacasa and turning Nicaragua into his personal fiefdom. After Somoza, his two sons succeeded him as the country's strongmen, assuring Somoza family control right up to the Sandinista revolution in 1979.

What propelled our government to assume this role of regional policeman throughout the Caribbean and Central America in the early twentieth century? Some historians argue that prior to World War I, our leaders genuinely feared that the Germans or other Europeans would establish beachheads near U.S. shores. But even after World War I ended and left the United States the unquestioned power in the Caribbean, the interventions continued.

Others point to the crush of U.S. bankers and businessmen who loaned money to Latin American governments, much of it on unsound ventures. National City Bank opened the first Latin American branch of a U.S. bank in Argentina in November 1914; five years later, it had established forty-two branches.[49] U.S. firms floated some $2 billion in Latin American government bonds during the 1920s, most of it in Mexico, Central America, and the Caribbean. Once those loans were made, the bankers expected the marines to protect their investment.[50] But then came the Wall Street Crash. Beginning with Bolivia in 1931, every Latin American country except Haiti defaulted on its loans. U.S. investors retreated from the region throughout the Depression years.

Whatever the reason for those early interventions, Franklin D. Roosevelt's election to the presidency brought a new approach to Latin America. Overt bullying from Washington and military occupations largely ended. Instead, American diplomats in the region sought to control events through pliant pro-U.S. dictators who were expected to maintain order. The mid-1930s and the 1940s thus became the heyday of *los jefes*. Except for a few, their names are almost unknown to the U.S. public. But to their countrymen, they represent lost decades so filled with horror and darkness that some nations are only now recovering.[51] Such was the period not only of Trujillo, Batista, and the Somozas, but of Guatemala's Jorge Ubico Castañeda, El Salvador's Maximiliano Hernández Martínez, and Honduras's Tiburcio Carías Andino. What seemed to unite them all was their ability to curry favor with Uncle Sam, first as allies against fascism during World War II, then as dependable anti-Communists in the late 1940s and 1950s.

Following the war, North American companies that resumed investment in the region invariably saw *los jefes* as dependable strongmen who offered welcome stability after decades of unrest. Direct U.S. investments

tripled in Latin America between 1955 and 1969, mostly from mining, petroleum, and manufacturing, and profit margins skyrocketed.[52] Between 1950 and 1967, for instance, new U.S. investment in Latin America totaled less than $4 billion, but profits were nearly $13 billion.[53]

This soaring commerce and the rise of a Communist bloc in Europe and Asia brought with it a renewed determination by Washington to control its Latin American backyard. Wherever social democratic or radical leftist regimes came to power and threatened the business climate for U.S. companies, Washington responded by backing right-wing opponents to overthrow them. In 1954, the CIA helped oust the liberal reform government of Jacobo Arbenz in Guatemala.[54] In 1961, the agency organized the failed Bay of Pigs invasion of Cuba. Four years later, the marines invaded the Dominican Republic again, just as rebels loyal to the democratically elected president Juan Bosch were about to defeat a group of generals who had ousted Bosch in a coup two years before. Similar scenarios emerged in Chile under Salvador Allende, in Peru under Juan Velasco Alvarado in the 1970s, and in Nicaragua under Sandinista leader Daniel Ortega in the 1980s. When all else failed, our leaders resorted to direct invasion, as with Grenada in 1983 and Panama in 1989.

But as U.S. capital increasingly penetrated Latin America during the century, something else began to happen: Latin American labor headed north. More than a million people, one-tenth of Mexico's population, migrated to the Southwest between 1900 and 1930.[55] Some fled the chaos and repression of the 1910 revolution, but many were recruited as cheap labor for the railroads, mines, and cotton and fruit farms out West.

The Santa Fe and Southern Pacific, for instance, enlisted sixteen thousand Mexicans in 1908 for their lines. Henry Ford brought several hundred Mexicans in 1918 as student workers to Detroit, so that by 1928, there were fifteen thousand Mexicans living in the Motor City.[56] In 1923, Bethlehem Steel contracted a thousand Mexicans to work in its Pennsylvania mill. That same year, National Tube Company brought thirteen hundred migrants from Texas to work in its plant at Lorain, Ohio.[57] Great Western Sugar Beet Company brought more than thirty thousand Mexicans to the Colorado beet fields in the 1920s and 1930s. The Minnesota Sugar Company offered transportation, housing, and credit to Mexicans to migrate to that state. By 1912, there was a Mexican *colonia* in Saint Paul.[58] Similar contracting occurred in Michigan and Kansas.

After World War II, the trickle of migrants became a torrent, beginning with the Puerto Ricans in the 1950s, and followed by the Cubans and Dominicans in the 1960s, the Colombians in the 1970s, and the Central Americans in the 1980s. The migrations came from the same

Caribbean countries our soldiers and businessmen had already penetrated, cowed, and transformed. But each country's diaspora, as we shall see, was markedly different. Different in class makeup. Different in customs. Different in where and how they settled, and in how America responded to them. Their separate odysseys were as rich in experience and as varied as those of the English, Irish, Italians, and Poles who came before them. Yet, they shared one bond that other waves of immigrants had not—a common language.

Toward the end of the twentieth century, those Latin American newcomers started to transform this country in ways no one had expected. Anglo conquest had boomeranged back to U.S. shores.

CHAPTER 3: BANANA REPUBLICS AND BONDS

1. Scott Nearing and Joseph Freeman, *Dollar Diplomacy: A Study of U.S. Imperialism* (New York: B. W. Huebsch, 1925), 16.
2. Angel Rivero, *Crónica de la Guerra Hispano Americana en Puerto Rico* (New York: Plus Ultra Educational Publishers, 1973), 502.
3. Mini Seijo Bruno, *La Insurrección Nacionalista en Puerto Rico, 1950* (Río Piedras: Editorial Edil, 1989), 8–9.
4. James L. Dietz, *Economic History of Puerto Rico: Institutional Change and Capitalist Development* (Princeton: Princeton University Press, 1986), 87–88; also José Trías Monge, *Puerto Rico: The Trials of the Oldest Colony in the World* (New Haven: Yale University Press, 1998), 12–13.
5. Some estimates are that coffee farms in Puerto Rico lost 40 percent of their real worth through that devaluation. Delma S. Arrigoitia, *José De Diego, El Legislador: Su Visión de Puerto Rico en la Historia, 1903–1918* (San Juan: Instituto de Cultura Puertorriqueña, 1991), 322–26.
6. Juan R. Torruella, *The Supreme Court and Puerto Rico: The Doctrine of Separate and Equal* (Río Piedras: Editorial de la Universidad de Puerto Rico, 1988), 53.
7. Dietz, *Economic History,* 88.
8. Torruella, *The Supreme Court,* 59.
9. Dietz, *Economic History,* 94–95.
10. Norma Valle Ferrer, *Luisa Capetillo: Historia de una Mujer Proscrita* (San Juan: Editorial Cultural, 1990), 66.
11. Charles H. Allen, "First Annual Report, Charles H. Allen, Governor of Puerto Rico," in *Documents of the Puerto Rican Migration,* ed. Centros de Estudios Puertorriqueños (Research Foundation of the City of New York, 1977), 11.
12. The agents for the planters were New York labor brokers Williams, Dimond and Company and Macfie and Noble, a plantation equipment importing company that had offices in several Puerto Rican port cities. See Norma Carr, *The Puerto Ricans in Hawaii: 1900–1958* (University of Michigan doctoral dissertation, 1989), 87; also *Documents of the Puerto Rican Migration,* 13–42; also Blase Camacho Souza, "Boricuas Hawaiianos," in *Extended Roots: From Hawaii to New York, Migraciones Puertorriqueñas,* ed. Centro de Estudios Puertorriqueños (New York: CUNY, 1988), 8–10.
13. The bulk of those contracted cane workers came from the coffee-growing sections of the island, which had been devastated by the worst hurricane in the island's history, San Ciriaco. The storm struck Puerto Rico on August 8, 1899, and killed three thousand. See Dietz, *Economic History,* 99.
14. Congressional Record, 64th Congress, 1st session, May 5, 1916. Cited in Ronald Fernandez, *Cruising the Caribbean: U.S. Influence and Intervention in the Twentieth Century* (Monroe: Common Courage Press, 1994), 113.
15. Pérez, *Cuba and the United States,* 118.
16. Langley, *The United States and the Caribbean,* 38.
17. Foner, *The Spanish-Cuban-American War,* vol. 2, 481; Langley, *The United States and the Caribbean,* 38.
18. Nearing and Freeman, *Dollar Diplomacy,* 178–81.
19. Langley, *The United States and the Caribbean,* 64–65.
20. Louis A. Pérez, Jr., *Cuba Under the Platt Amendment, 1902–1934* (Pittsburgh: University of Pittsburgh Press, 1986), 140.

21. Ibid., 229.
22. Gary R. Mormino and George E. Pozzetta, *The Immigrant World of Ybor City: Italians and Their Latin Neighbors in Tampa, 1885–1985* (Urbana: University of Illinois Press, 1987), 64–69.
23. "There were, of course, innumerable demands for American armed intervention, especially from certain people representing commercial interests," he recalled. "Every request was flatly rejected." What Welles never divulges in those memoirs were his repeated requests to Roosevelt—later revealed in his secret State Department correspondence—for an American invasion, all of which the president rebuffed. For Welles's account, see Sumner Welles, *The Time for Decision* (New York: Harper, 1944), 193–99. For a detailed version of Welles's insidious role, see Pérez, *Cuba and the United States,* 186–201.
24. Louis A. Pérez, *Cuba Between Reform and Revolution* (New York: Oxford University Press, 1995), 276–312, provides an excellent summary of the Batista years.
25. Luis A. Diez Castillo, *El Canal de Panamá y Su Gente* (Panama: 1990), 26.
26. Langley, *The United States and the Caribbean,* 35–37. Also, Walter LaFeber, *The Panama Canal: The Crisis in Historical Perspective* (New York: Oxford University Press, 1970), 29–46.
27. Some twenty thousand came from Barbados, amounting to 40 percent of all the adult males on that island at the time! See Conniff, *Black Labor on a White Canal,* 29; also David McCullough, *The Path Between the Seas: The Creation of the Panama Canal, 1870–1914* (New York: Simon & Schuster, 1977), 476.
28. During those ten months, 656 West Indians died, compared to 34 Americans. While blacks were three times the number of white workers, they had nearly twenty times the number of deaths. See McCullough, *The Path Between the Seas,* 501.
29. Ibid., 31–35.
30. Calder, *The Impact of Intervention,* 3; also Frank Moya Pons, *The Dominican Republic: A National History,* 279–82.
31. In 1921, when some marines shot a British citizen—a black plantation worker from Saint Kitts—in cold blood, C. M. Ledger, the British chargé d'affaires in San Pedro, demanded an investigation of the "reign of terror" by the marines. See Calder, *The Impact of Intervention,* 133–83, for an in-depth view of the occupation and guerrilla war.
32. Already a subsidiary of the U.S-owned South Porto Rico Sugar Company, Central Romana would nearly quadruple in size to more than half a million acres by the 1960s and would later become one of the Caribbean pearls in the worldwide empire of the giant Gulf and Western Corporation, Plant, *Sugar and Modern Slavery,* 14.
33. Calder, *The Impact of Intervention,* 91–114, gives an excellent overview of land and sugar policy during the occupation; also Edward S. Herman and Frank Brodhead, *Demonstration Elections: U.S.-Staged Elections in the Dominican Republic, Vietnam, and El Salvador* (Boston: South End Press, 1984), 19.
34. Plant, *Sugar and Modern Slavery,* 14–15.
35. For the 1902–1903 sugar harvest, for instance, the planters imported three thousand laborers from the English-speaking Caribbean to the Dominican Republic. See Plant, *Sugar and Modern Slavery,* 17.

36. Calder, *The Impact of Intervention,* 99.
37. Following his arrival in the country in 1922, Welles got the military government to secure $6.7 million in public works bonds through the U.S. firm of Lee, Higginson & Company; in 1924, after the new civilian president Horacio Vázquez took office, Welles pressured him to borrow another $3.5 million through Lee, Higginson and use part of the money to pay an inflated price for the assets of the failed American-owned Water, Light and Power Company of Puerto Plata and Santiago; subsequently, Welles convinced Vázquez, despite the president's dissatisfaction with Lee, Higginson, to arrange a new $10 million loan in 1926; he even got Vázquez to pay $150,000 to the firm of a lady friend to erect a luxurious Dominican Embassy in Washington. See Jose Ortega Frier, *Memorandum Relativo a la Intervención de Sumner Welles en la República Dominicana* (Santo Domingo: Ediciones de Taller, 1975), 89–94. According to Dominican historian Frank Moya Pons, by the time the occupation ended, the country's $10 million foreign debt had climbed to $15 million. See Moya Pons, *The Dominican Republic,* 339.
38. Ramón Alberto Ferreras, *Trujillo y sus mujeres* (Santo Domingo: Editorial del Nordeste, 1982), gives an account of Trujillo's many attacks on women.
39. By 1899, five U.S. companies had investments of nearly $3 million in Bluefields. See Langley, *The United States and the Caribbean,* 46–49; Bermann, *Under the Big Stick,* 123–50; Gregorio Selser, *Sandino: General of the Free* (New York: Monthly Review Press, 1981), 28–40.
40. Bermann, *Under the Big Stick,* 137–40.
41. Ibid., 142–45.
42. Ibid., 143.
43. Ibid., 144; Langley, *The United States and the Caribbean,* 50–52. Bermann and Langley cite more active involvement by the U.S. government in the revolt, while Dana Munro in *Intervention and Dollar Diplomacy in the Caribbean* (1964), 167–86, ascribes less imperialist motives to U.S. actions.
44. They awarded themselves and their cronies in Nicaragua exorbitant payments for damages incurred during the war against Zelaya. Chamorro alone got $500,000.
45. Bermann, *Under the Big Stick,* 157–61.
46. Langley, *The United States and the Caribbean,* 102–3.
47. H. H. Knowles, a former ambassador to both Nicaragua and the Dominican Republic, condemned the U.S. presence during a speech at Williamstown, saying: "We have used the Monroe Doctrine to prevent European countries sympathetic to those republics from coming to their aid. Instead of sending them teachers, instructors, and elements of civilization, we send them hunters of usurious banking concessions, avaricious capitalists, corrupters, soldiers to shoot them down, and degenerates to infest them with every disease." See Selser, *Sandino: General of the Free,* 80–81.
48. Langley, *The United States and the Caribbean,* 109; Selser, 174–77; also Tom Barry and Deb Preusch, *The Central America Fact Book* (New York: Grove Press, 1986), 272.
49. By 1920, there were ninety-nine branches of American banks in the region. See Barbara Stallings, *Banker to the Third World: U.S. Portfolio Investment in Latin America, 1900–1986* (Berkeley: University of California Press, 1987), 65–67.

50. Ibid., 71.
51. Eduardo Galeano, *Open Veins of Latin America: Five Centuries of the Pillage of a Continent,* trans. Cedric Belfrage (New York: Monthly Review Press, 1973), 124–29.
52. Stallings, *Banker to the Third World,* 84, 187. In the early 1950s, Latin America represented only 4 percent of annual "portfolio investments" of U.S. companies in the world; that figure skyrocketed to nearly 41 percent of world investments by 1979.
53. Galeano, *Open Veins,* 246–47.
54. Schlesinger and Kinzer, *Bitter Fruit,* xii.
55. McWilliams, *North from Mexico,* 152.
56. Ibid., 169; also Acuña, *Occupied America,* 177; Zaragosa Vargas, *Proletarians of the North: A History of Mexican Industrial Workers in Detroit and the Midwest, 1917–1933* (Berkeley: University of California Press, 1993), 6.
57. McWilliams, *North from Mexico,* 169.
58. Acuña, *Occupied America,* 153.

CHAPTER 4: PUERTO RICANS

1. The Census Bureau counted 7,364 in Manhattan's Spanish Harlem and around the Brooklyn Navy Yard. Joseph Fitzpatrick, *Puerto Rican Americans: The Meaning of the Migration to the Mainland* (Englewood Cliffs, N.J.: Prentice-Hall, 1987), 38.
2. This and much of the early González family history is pieced together from extensive interviews by the author during 1992–1993 with Graciela Ramos, Pura Morrone, Sergio González, and Ana Meléndez, the surviving children of Teófilo and María González, with my mother, Florinda Guillén, with her brother, Heraclio "Pancho" Rivera, with my uncle Charley Meléndez, and with several members of the González clan of the second generation, my many cousins.
3. Dietz, *Economic History of Puerto Rico,* 55.
4. For an account of the role of the Puerto Rican scouts in the U.S. invasion, see Rivero's *Crónica de la Guerra Hispano Americana en Puerto Rico,* 473–87.
5. Earl Parker Hanson, *Puerto Rico: Land of Wonders* (New York: Alfred A. Knopf, 1960), 77.
6. Ibid.
7. While Puerto Ricans earned 63 cents daily in 1917, Hawaiian cane cutters earned 97 cents and Cubans $1.26. Between 1923 and 1930, the return on capital of the four largest U.S. corporations averaged 22.5 percent; and from 1920 to 1925, three U.S. sugar growers (Central Aguirre, South Porto Rico, and Fajardo) distributed more than $60 milllion in dividends to shareholders while accumulating only $20 million for reinvestment. In other words, 75 percent of the companies' earnings were leaving the country to shareholders' pockets. See James Dietz, *Economic History of Puerto Rico,* 110–11, 139.
8. Ronald Fernández, *The Disenchanted Island: Puerto Rico and the United States in the Twentieth Century* (New York: Praeger, 1992), 116; also Dietz, *Economic History of Puerto Rico,* 175.
9. Kal Wagenheim and Olga Jiménez de Wagenheim, *The Puerto Ricans: A Documentary History* (Maplewood, N.J.: Water Front Press, 1998), 179–82.
10. Seijo Bruno, *La Insurrección,* 35.