UNITED STATES INTERVENTION IN NICARAGUA, 1920-1932

by

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ABSTRACT

At the close of World War I, the United States government sought to disengage itself from an unpopular involvement in the international affairs of Nicaragua which began in 1909 when the United States intervened to bring political and economic stability to the area. A withdrawal was eventually made in 1925 when it appeared that a relatively free election was held representing the wishes of the people.

Two weeks after the withdrawal, the opposition took over the government by force, but continued refusal of the United States to extend recognition led to the formation of a provisional government under Díaz. The Liberals, under Dr. Sacasa, refused to recognize the government, and securing aid from Mexico began a campaign to overthrow Díaz. Intervening again to protect American lives and property, the United States became concerned over the possibility that Mexico was extending its influence in Nicaragua, and sought to justify further United States intervention in that light. Attempts by President Coolidge and Secretary Kellogg to justify United States actions in Nicaragua failed to
satisfy the press and many members of Congress, who felt that the United States was being led into a war with Mexico, with Nicaragua as the pretext. Finally, in an attempt to end the conflict, President Coolidge sent Henry L. Stimson to Nicaragua to negotiate a settlement.

Stimson was successful in bringing peace to Nicaragua but at the expense of committing the United States to remain in the country to carry out the tasks of pacifying the nation by establishing a national guard and supervising future elections. All went well until a "super patriot," Sandino, began a personal war with the United States that eventually took on an international twist when Sandino began to be portrayed as the symbol of opposition in Latin America to the United States. It was this hemispheric reaction to the Sandino struggle, rather than the military aspects, that led the United States to hasten its withdrawal from Nicaragua, and to initiate changes in its policy toward Latin America that set the stage for the "Good Neighbor Policy."
CHAPTER I

BACKGROUND

The Republic of Nicaragua is the largest in size of the Central American republics. It has an estimated area of 51,000 square miles, of which Lakes Nicaragua and Managua occupy about 4,500 square miles. Nicaragua is composed of three distinct physiographic areas: the western plains, the central highlands, and the low-lying jungles that extend inland from the Caribbean. In the highlands, the Cordillera of Central America breaks, leaving a depression which, because of the two large lakes and the San Juan River, has afforded a natural inter-oceanic highway.¹

The greater bulk of the population of the country is located west of the Cordillera mountain range and around the lakes. This is due to the healthful climate to be found in that area. Those who reside near the northern end of Lake Nicaragua, in the vicinity of the city of Granada, home of the Conservatives, form the aristocratic class, while those who reside northward in

and around León, center of the Liberals, are a class of artisans and farmers. The Liberals, according to a writer in 1918, outnumbered the Conservatives to a great extent, but the latter have ruled the country during a majority of the time it has existed.²

The highland plateaus of Nicaragua, which are very rich in the natural grasses necessary for the raising of cattle, have been settled comparatively recently. The best pasture lands are situated in the Department of Chontales, in the highlands to the east of Lake Nicaragua. In the mountainous section around Matagalpa, where altitudes sometimes reach between 3,000 and 4,000 feet, considerable coffee is grown. Gold and silver mines are also located in the north central part of the Cordillera.

The eastern littoral is largely dense tropical jungle. This section was practically uninhabited by white men until the banana and mahogany trades arose, centering around the coastal ports of Bluefields and Puerto Cabezas. In the past, the revenues of the east coast went to the improvement of communications and to public works of the cities of the western section.

Revolutionists have been quick to capitalize on the resentment engendered by many years of this practice, so that, as a result, most revolutions have begun on the east coast. The linking of the two divisions into an organic entity was the most important administrative problem which the Republic had to face.3

Politically, Nicaragua has been in constant disorder and unrest since the establishment of her independence from Spain. Bitter sectionalistic politics perpetuated a rivalry which had started between two of the chief cities in colonial days, Granada and León. Civil wars and revolutions were frequent after 1821, except during the period from 1863 to 1893, "The Thirty Years," when the Conservative party was able to maintain successive candidates in power and to establish a comparative peace throughout the country. The return of the Liberal party to power under Zelaya in 1893 restored the prevalent disorders and confusion.

President José Santos Zelaya, although contributing many civic improvements to Nicaragua, proved to be a tyrant, employing illegal methods of torture for punishing his enemies and securing revenues in every

possible way. Forced loans were exacted from the well-to-do, extensive trade monopolies were established, and numerous concessions were granted to foreigners or favored corporations in order to reimburse the president's fund. Tariffs were also increased from time to time, and unfavorable discriminations were directed against the Department of Bluefields, center of American trade, located on the Caribbean coast between the Rama River and Lake Tuapi.\textsuperscript{4}

The Atlantic coast of Nicaragua has always been considered as a "back door" to Central America, and there has been a closer association between the coast and the West Indies than with the adjoining parts of Central America on the Pacific slope of the watershed. After an unsuccessful attempt to found a Puritan colony had been made in 1630, the English government claimed a protectorate over the local Mosquito Indians from 1655 to 1850. This claim was renounced in the latter years under the Clayton-Bulwer Treaty, by which both the United States and Great Britain pledged themselves not to fortify, colonize, or exercise dominion over any part of Central America.

\textsuperscript{4}Anna I. Powell, "Relations between the United States and Nicaragua, 1898-1916," Hispanic American Historical Review (February, 1928), pp. 45-46.
although Great Britain was reluctant to give it up. Thereafter, by a treaty signed on January 28, 1860, Great Britain transferred to Nicaragua the suzerainty over the Atlantic coast between the southern frontier of the Republic of Honduras and the northern frontier of Costa Rica, on condition that autonomy would be granted to a Mosquito Reserve, and Greytown made a free port. Thus, it was not until 1860 that Nicaragua acquired the Atlantic coast. The Mosquito Reserve was finally assimilated in status to the ordinary territories of Nicaragua in November, 1894, by a surrender of its special privileges to President Zelaya. Even so, the Atlantic and Pacific slopes of Nicaragua remained virtually isolated from one another. Thus, the Atlantic coast of Nicaragua provided an ideal "jumping-off ground" for every successive Liberal or Conservative revolution. It was an area where revolution was the only practical method of obtaining a change in government.5

The resentment of the half-breed population with the loss of independence and the increase in commercial interests of the United States made the province the center of political agitations against Zelaya's hostile

5Munro, pp. 95-96.
practices. From February 4 to 27, 1899, an insurrection led by General Juan Pablo Reyes, commandant of the department, was waged against the Nicaraguan government. Reyes received aid from American merchants and residents of Bluefields, together with a number of Teddy Roosevelt's former "Rough Riders." Despite the declaration of neutrality by the United States government, these Americans joined the insurgent forces or rendered financial assistance to the revolution. The rebellion ended with the surrender of Reyes on February 27, 1899. That the revolution terminated so quickly may be explained by the limitation of support of foreigners under the international rules of neutrality as well as by the presence of United States war vessels requested by Zelaya.  

United States interest in the Caribbean and in Central America became more acute at the turn of the century because of an over-all change in United States foreign policy brought on by the Spanish American War of 1898, the Hay-Pauncefote Treaty of 1901, and the acquisition of the Panama Canal in 1903. Although Nicaragua

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7 Clarence H. Haring, South America Looks at the United States (New York: Macmillan, 1928), pp. 3-5.
had for years been under consideration for the location of a canal, it lost out to Panama at the last minute because of Zelaya's sensitivity over extra-territorial rights. Zelaya reacted angrily to the change of events and became more sensitive to attempts by the United States to exert its influence over the Caribbean and Central America. United States influence in those areas took on a new look in light of the new position of the United States as a world power. No longer in competition with Great Britain over canal rights, the United States pushed ahead to build the canal and to develop a forward policy to protect its interest and its new position. Policy makers were guided in their decisions by the thoughts of Alfred T. Mahan, world famed naval strategist, who had advocated, for years, building a canal and acquiring necessary bases in the Caribbean to protect the canal. It thus became a matter of utmost importance that the United States should control the bases requisite for the defense of the canal and that no naval power should obtain

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a foothold in the vicinity of the canal or on the approaches to it. This led to the securing of naval base rights in Cuba and later in Nicaragua. These ideas on national defense were made official in 1904 by President Theodore Roosevelt when he announced the Roosevelt Corollary to the Monroe Doctrine. The plain purpose of the Corollary was to avert intervention of any power that might feel compelled to act for the protection of its nationals, for intervention could easily lead to a permanent control that would be repugnant to the Monroe Doctrine. It was wrong to insist that other governments could not use force, but intervention could be averted if Caribbean states could attain more stable governments and pay their debts. "It was this idea, made explicit in the Roosevelt Corollary, that helped shape the policy of the United States in the Caribbean during the administrations of Roosevelt, Taft and Wilson."\(^\text{10}\)

Likewise disturbed by the constant warfare in Central America, Roosevelt and his Secretary of State, Elihu Root, made every attempt to maintain the peace in

that area in order to reduce the possibility of outside interference. Working in conjunction with President Porfirio Díaz of Mexico, Root proposed a peace conference to meet in Washington in 1907 to be attended by Costa Rica, Guatemala, Honduras, Nicaragua, and El Salvador. At the conference the five republics signed a series of conventions, including a general treaty of peace and amity and the establishment of a Central American Court of Justice.\footnote{11} Unfortunately, Zelaya, during the next two years, violated these conventions by his attempts to force the restoration of the old Central American Union. It appeared as though other steps would have to be taken to acquire stability in that part of the isthmus. It was not long before the opportunity presented itself.

Nicaragua became the object of United States special interest in 1909 when a revolution broke out on the east coast against Zelaya. Initially, although the United States declared a "hands off" policy and officially declined to intervene, there is good reason to believe the revolutionists were backed by the moral and material support of many Americans. Eventually, with the murder of two American "soldiers of fortune" who were fighting

for the revolutionists, the United States, anxious to
rid the country of the trouble-maker, Zelaya, and in turn
restore stability to the area, found an excuse to sever
diplomatic relations with his government.\textsuperscript{12} Zelaya
resigned and the ensuing political turmoil brought first
Dr. Madriz and then General Estrada to the presidency.
It also brought financial and political controls by the
United States.

In an honest attempt to stabilize the government
and to remove any threat of foreign intervention to the
security of the Panama Canal, Secretary of State
Philander C. Knox sought to follow the example of
Roosevelt with his apparent success of custom receiver-
ship policy in the Dominican Republic. In October, 1910,
Knox sent Thomas C. Dawson, American Minister to Panama,
to study the situation and to bring about some sort of
agreement among the various leaders. Through his good
offices the so-called Dawson Agreement was signed on
October 27, 1910, by General Estrada, Minister of Foreign
Affairs, Diaz, Minister of War, Mena, and General

\textsuperscript{12}Foreign Relations of the United States, 1909
pp. 455-457.
Chamorro. Dawson was not a signatory. The main provisions of the agreement were the following:\textsuperscript{13}

1. Immediate elections should be called to choose members of a constituent assembly which should choose Estrada and Díaz as president and vice-president, respectively, for a period of two years. The assembly should also draw up a new constitution including the abolition of monopolies and the guarantee of the legitimate right of foreigners, and should call general elections at the end of the two year provisional period. At these elections Estrada should not be a candidate to succeed himself.

2. A mixed claims commission should be appointed to investigate and settle claims.

3. A loan to rehabilitate finances and pay claims guaranteed by a certain per cent of the customs receipts should be solicited through the good offices of the United States government.

Herein lies a good example of the principle of the so-called "dollar diplomacy" recommended by Knox as the best means of bringing financial and political stability to Nicaragua.

\textsuperscript{13}Foreign Relations of the United States, 1911 (Washington, D. C., 1918), pp. 652-653.
The apparent harmony brought about by the Dawson Agreement was short lived. Although Estrada and Díaz were elected president and vice-president, respectively, by a new constituent assembly, a power struggle between the various factions ensued which ultimately led to Estrada's removal and Díaz's selection as president. As president, Díaz attempted to initiate the financial reforms called for in the Dawson Agreement, and with the approval of the Nicaraguan Assembly, negotiated the Knox-Castrillo Convention with the United States. According to this proposed treaty, Nicaragua agreed to refund her existing external and internal debt by means of a loan secured by the customs revenues, and to place the administration of the customs during the life of the loan in the hands of an official nominated by the fiscal agent of the loan and approved by the President of the United States. The Nicaraguan Assembly ratified the Knox-Castrillo Convention on June 15, 1911, but after a long consideration of the matter, the treaty was defeated on May 9, 1912, in the Committee on Foreign Relations of the United States Senate. The measure had

failed by a tie vote, not by alleged objections to dollar diplomacy but by political opposition on the part of the "outs." 15

The efforts of President Diaz to obtain immediate financial assistance, pending ratification of the loan, led to a small loan and unofficial customs control which in turn encouraged financial dependence, excited hostility, and contributed to armed intervention in Nicaragua. In September, 1911, Nicaragua purchased short term six per cent treasury bills to the amount of $1,500,000, with the understanding that Nicaragua would set up a mixed claims commission, establish a national bank, work out an adjustment with the British bondholders, institute a currency reform, and inaugurate construction on the projected railway to the Atlantic coast. To secure the loan the collection of customs was placed at once in the hands of Clifford D. Ham, a United States national nominated by the bankers, approved by the Secretary of State, and appointed to office by the President of Nicaragua. Ham served as Collector General of Customs from that time.

until June, 1928, when he resigned. His successor, Irving A. Lindberg, had been Deputy Collector General since 1912.16

Meanwhile, in the political arena, Mena, aspiring to the presidency, had the constituent assembly elect himself as president for the next term in contravention of the Dawson Agreement which provided for a popular election. Failing to secure the approval of the Department of State for his presidential ambitions and opposed by Díaz and Emiliano Chamorro, the newly appointed commander in chief of the army, Mena, left the capital to start a new revolution.17 The revolution was joined by a large body of Liberals under the leadership of General Benjamín Zeledón, formerly Minister of War under Zelaya. Unable to protect American lives that were threatened and property that was seized, Díaz was compelled to request the armed intervention of the United States. American marines were landed on August 4, 1912, to protect the legation and to keep open


communications with the capital, and the revolution was strongly condemned in a public pronouncement by the Department of State. The pronouncement sounded the end of the revolution, and on September 25, General Mena, who had fallen ill, surrendered to the American commander. The revolt ended when a force of Liberals under Zelodón, who had continued to hold out, was dislodged by American marines. It had cost the Nicaraguan government about $2,000,000 to suppress the revolution, which once again periled the republic's financial position. From that time on until 1925 the United States maintained at Managua a legation guard of approximately 120 officers and men.

The intervention in Nicaragua in 1912 marked a turning point in United States foreign policy in the Caribbean. It was one thing to use a show of force to exert one's influence, as had been done quite frequently in the past, but to actually land troops to suppress a revolution brought the whole policy under fire. This

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18Foreign Relations of the United States, 1912 (Washington, D. C., 1908), pp. 1,043-1,044.

19Hill, pp. 350-351.

20Munro, Intervention and Dollar Diplomacy, p. 215.
action was the proof that the critics of United States foreign policy needed to prove that the interventions were the desire of the United States government to protect American capital abroad. Dollar diplomacy was being used to dominate the whole western hemisphere for the private property of Wall Street, so they claimed. American public opinion, as reflected in the press, seemed on the whole to approve what was done, but there were many who spoke against the action. Senator Bacon, the senior Democratic member of the Committee on Foreign Relations, attacked the administration's policy in Nicaragua as being used to support private interests. On the whole, it appeared that the action was taken by the United States government in order to prevent the recurrence of a regime resembling Zelaya's. The Department of State looked upon that dictator as a source of chronic discord in Central America, and since Mexico was eliminated from consideration as a result of its own revolution, the United States was the sole guardian of the peace under the convention of 1907. Whatever the

21*Literary Digest*, August 24, September 28, October 19, 1912.

motives of the United States may have been, "there were doubtless many in Nicaragua and throughout all Latin America who attributed to the policy of the United States other motives than the 'benefit of the people of Nicaragua.'"\(^{23}\)

The maintenance of a legation guard in Managua for the next thirteen years was interpreted to mean that revolution would not be tolerated,\(^{24}\) and that the United States meant to preserve the peace and status quo by keeping the Conservatives in office. In effect, the Department of State, anxious to see the necessary financial reforms carried out, backed the election of Adolfo Díaz in 1912, and Emiliano Chamorro in 1916. The Liberals did not submit candidates in 1912, being unable to agree among themselves, or in 1916, when the "State Department refused to sanction the candidacy of Julian Iriáš,\(^{25}\) a close associate of ex-president Zelaya. The Liberals, who asserted that they were numerically the stronger party, protested violently against their continued


\(^{24}\)Munro, *Intervention and Dollar Diplomacy*, p. 216.

\(^{25}\)Rodríguez, p. 119.
exclusion from the government, and clamored for the removal of the legation guard. Reluctantly, the Department of State defended its position well aware of the fact that it was inconsistent with the principles that governed American policy in the Caribbean but remained steadfast in its determination to rid the country of the influence of Zelayanism and to restore financial stability.

Many people were led to believe that with the election of a Democratic administration, headed by Woodrow Wilson, there would be a sudden withdrawal from the "imperialistic policies" of Roosevelt and the "dollar diplomacy" of Taft. The hard realities of politics and diplomacy were, however, to prove that Wilson would go further than any of his predecessors in intervening in the internal affairs of several Central American and West Indian republics. Although outspoken against "dollar diplomacy," Wilson, in an attempt to stabilize the financial situation in Nicaragua and to remove any possible threat to the security of the United States—war


clouds were gathering in Europe—recommended the signing of a canal treaty which gave the United States an option on a canal route in return for a cash payment of $3,000,000. Hoping for a direct payment from the United States treasury, Nicaragua had signed in February, 1913, the Weitzel-Chamorro Treaty, with the Taft administration; but owing to the change in the administration, action on the treaty was held in abeyance. When the treaty was again submitted for consideration, the United States Senate refused to ratify it. The reason for the Senate's refusal was the attempt of the administration, at the suggestion of President Diaz, to include provisions similar to those in the Platt Amendment and in the treaty between the United States and Cuba of May 22, 1903.

The Bryan-Chamorro Treaty, omitting this feature, was signed on August 5, 1914, but it continued to meet enough opposition in the Senate to delay approval until February 18, 1916. Payment to Nicaragua was held up

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30 Bailey, pp. 499-500.

31 Munro, Intervention and Dollar Diplomacy, p. 400.
until such time as a plan of financial control between the United States government, the bankers, and President Chamorro was finally worked out. In order to pacify the protests of Costa Rica and El Salvador that the treaty impaired their existing rights, the United States Senate added a proviso that its consent in the matter was given with the understanding that "nothing in said Convention is intended to affect any existing right" of Costa Rica, El Salvador, or Honduras. This action did not prevent Costa Rica and El Salvador from bringing suit in the Central American Court of Justice against Nicaragua. Although Costa Rica and El Salvador won their cases, Nicaragua declined to accept the competence of the Court to recognize the suits. Failure of the United States to recognize the decision of the Court and to force Nicaragua to do likewise was given as the reason for the demise of the Court a year later, and opened further the floodgate of criticism in Latin America against American "imperialism." Pandora's box was now wide open, and it became readily apparent that a change in policy was necessary.

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32 The United States and Nicaragua. A Survey, pp. 128-130.
CHAPTER II

WITHDRAWAL

By the end of World War I, the United States was ready to retreat from its policy of intervention in Central America and the Caribbean. The change of policy came about by force of circumstances and a slow drift of opinion rather than as a product of any organized movement. The change cut across party lines by having a small beginning in the latter years of the Wilson administration, inching forward in the Harding administration, languishing under Calvin Coolidge, making significant gains under Herbert Hoover, and reaching full maturity under Franklin Delano Roosevelt. The change was slow, and it appeared at times as if the Republicans, who were to remain in office for twelve years following eight of Democratic rule, had "forgotten nothing and learned nothing."¹

The temporary disappearance of a European threat and a significant change in popular emotions led many

people after World War I to feel uneasy about United States policy in the Caribbean. By the end of the war, the United States had become undisputed master of the western hemisphere, and European states lacked power, as well as inclination, to interfere in United States interests in Latin America. It had become obvious, even to alarmists, that dangerous European interventions were a remote possibility. There were also objections on moral grounds. Public sentiment, particularly among liberals and labor groups, attacked the imperialism of the United States and called for investigations, questioned foreign policy, and demanded the removal of the marines.²

Opposition to the policy of the government was expressed by such liberal periodicals as *The Nation* and *New Republic*, as well as by a few senators, notably William H. King of Utah and William E. Borah of Idaho.³

Borah became Chairman of the Senate Committee on Foreign Relations in December, 1924, with the death of Senator Lodge, and he remained in that position until 1933. Borah was one of the principal Senate leaders in


the defeat of the League of Nations after the war, and also became a leading opponent of United States intervention in Latin America. It is therefore reasonable to assume that Borah built up much of the public opinion that forced the administration to revise its policy in Nicaragua.\textsuperscript{4} Public opinion was also influenced by a flood of literature issued during the period, some of it obviously biased to the point of being ridiculous, although some attempts were made at objectivity. Regardless of the accuracy or impartiality of the publications, they had their influence, and therein lies their significance, whether for good or bad.\textsuperscript{5}

By 1920, public opinion in the United States strongly supported a foreign policy that called for no cooperation of any character with other nations.\textsuperscript{6} Emotions of the war years, coupled with Wilson's self-determination for all peoples, led many Americans to


\textsuperscript{5}Pratt, pp. 312, 431-432.

believe that foreign countries could no longer be forced into political maturity, and that restraints must be placed on the use of force and power. Others believed that interventions were imposing a strain on friendly intercourse, especially in the realm of trade. The time was ripe for a change, but it would be slow in coming.

The change came about under Secretary of State Bainbridge Colby, who entered office in 1920 and remained until the administration changed hands in 1921. There were also changes in the Department of State and Foreign Service which brought in such individuals as Leo S. Rowe and Sumner Welles to the positions of Chief and Assistant Chief, respectively, of the Division of Latin American affairs. "The initiation of moves to withdraw from the Caribbean originated with these new officials." While not renouncing the right of intervention, they avoided further armed involvements in the Caribbean and laid down the course of withdrawal from Haiti and the Dominican Republic which their successors were to follow. In order to promote closer Pan American unity, President Wilson sent Colby on a good will tour of Brazil, Uruguay,

and Argentina. Although Brazil and Uruguay responded enthusiastically to the visit and warmly received the Secretary of State, Argentina reluctantly accepted the visit. Very little popular enthusiasm greeted Colby in Buenos Aires.

Nevertheless, the trip was described as one of the "most pretentious" moves undertaken since the Root visit in 1906 and was designed to launch a "new era" in Pan Americanism.

Nicaragua also presented the Department of State a problem. During the Lansing era—Robert Lansing was the previous Secretary of State from 1915 to 1920—the Department of State had informed Emiliano Chamorro, president since 1916, that it opposed his plans to alter the Nicaraguan constitution in order to seek another


9Ibid., pp. 231-232.


During the four years following the 1916 elections, the Liberals continually criticized the Department of State for its support of an electoral machinery that tended to perpetuate the power of the Conservatives who controlled it. The Liberals claimed that since the elections were manipulated to their disadvantage and since the United States would not countenance revolution, it was impossible for them to ever secure control of the government. Early in 1920, the Department of State, anxious that the approaching presidential election should express the will of the people, suggested that the Nicaraguan government invite someone to make a study of the electoral system and suggest possible revisions therein. General Enoch H. Crowder, who had supervised Cuban elections in 1908 and had headed a commission which drafted most of the organic laws of that republic, was recommended by Colby for the assignment but was turned down by Chamorro.13

The new group of officers in the Latin American Division of the Department of State felt strongly that the United States should not help what was apparently a


13Ibid., pp. 294-295.
minority party to stay in power through another election like that of 1916. However, they were overruled by the Assistant Secretary of State, Alvee A. Adee, who felt that any action taken unilaterally by the United States would be considered as an improper intervention in Nicaraguan internal affairs. Adee, who had served in the Department of State since 1869 and as Second Assistant Secretary of State since 1886, was in a position to determine departmental policy, what with the illness of President Wilson and changes in the highest positions of the Department of State.\textsuperscript{14} Sumner Welles, now Chief of the Latin American Division, in view of the proximity of the registration period and the importance which both parties in Nicaragua attached to the election, suggested that Major Jesse I. Miller be sent to Managua as Military Attaché with instructions to attempt to procure fair play. Miller, who was thoroughly cognizant with electoral procedure, was subsequently designated as a special electoral observer. Notwithstanding attempts by the Department of State to impress Chamorro with the necessity for fair play,\textsuperscript{15} the elections resulted in a

\textsuperscript{14}Munro, Intervention and Dollar Diplomacy, p. 418.

victory for Diego Chamorro, uncle of Emiliano Chamorro, with cries of intimidation and fraud by the opposition. Major Miller, in reporting to the Department of State, said that the strength of the two parties appeared to be the same—this contrasted with earlier reports that indicated a clear majority for the Liberals—and that no violence or intimidation took place during the election period, but that while fraud undoubtedly did take place in the registration and the counting of the votes, a fair election could not have been held under the existing election law.\(^{16}\)

The Department of State believed that unless radical measures were adopted at once with a view to satisfying the aspirations of the opposition for immediate reform in the electoral system, disturbances were liable to occur. Before recognizing Diego Chamorro as president-elect, the Department of State, through its representative in Managua, insisted that President Emiliano Chamorro appoint an expert to draft a new law to be effective with the 1924 election. Chamorro concurred with the proposal and requested the Department of State to send an expert, preferably General Crowder, to

\(^{16}\)Ibid., p. 302.
draft the law. After a short delay, Dr. Harold W. Dodds, who was Secretary of the National Municipal League and had been studying for many years electoral laws and their reform, was selected and sent to Nicaragua. After painstaking inquiries into the Nicaraguan electoral system during the spring and summer of 1922, he drew up a draft of a new electoral law. This draft, with minor changes, was enacted into a law on March 16, 1923. The Department of State had high hopes for a fair election in 1924 and announced in 1923 the withdrawal of the legation guard when the new government took office.

Responding to the new situation, it was the policy of Charles Evans Hughes, Secretary of State from 1921 to 1925, to liquidate the interventions of the United States in the Caribbean and in Central America as promptly as political stability seemed to be established and the safety of foreign nationals reasonably assured. It was

17 Ibid., p. 309.

18 Munro, Intervention and Dollar Diplomacy, p. 425.


20 Munro, Intervention and Dollar Diplomacy, p. 425.
his task to convince Latin America that the "big stick" did not really mean "imperialism." Faced with the recurrence of disorders in Central America in 1922, the United States offered the cruiser Tacoma as the meeting place for a conference between the presidents of Nicaragua, Honduras, and El Salvador. In August, 1922, an agreement was signed specifically recognizing the continued validity of the General Treaty of Peace and Amity of 1907, and containing other provisions calculated to maintain the peace. Costa Rica and Guatemala, though declining to take part in the conference, nevertheless declared the treaty of 1907 as still in force. Article V of the "Tacoma Agreement" proposed a new Central American conference to meet in the following December. All five republics accepted the invitation of the United States and met in Washington, D. C. on December 4, 1922. The conference resulted in a number of treaties which for the most part restated and reinforced the principles laid down in 1907. One of the most important provisions of the new General Treaty of Peace and Amity, signed

21 Cox, p. 766.

February 7, 1923, was Article II regarding the nonrecognition of governments coming into power through a coup d'etat or revolution. The article read as follows:

Desiring to make secure in the Republics of Central America the benefits which are derived from the maintenance of free institutions and to contribute at the same time toward strengthening their stability, and the prestige with which they should be surrounded, they declare that every act, disposition or measure which alters the constitutional organization in any of them is to be deemed a menace to the peace of said Republics, whether it proceed from any public power or from the private citizens.

Consequently, the Governments of the Contracting Parties will not recognize any other Government which may come into power in any of the five Republics through a coup d'etat or a revolution against a recognized Government, so long as the freely elected representatives of the people thereof have not constitutionally reorganized the country. And even in such a case they oblige themselves not to acknowledge the recognition if any of the persons elected as President, Vice-President or Chief of State designate should fall under any of the following heads:

(1) If he should be the leader or one of the leaders of a coup d'etat or revolution, or through blood relationship or marriage, be an ascendent or descendent or brother of such leader or leaders.

(2) If he should have been a Secretary of State or should have held some high military command during the accomplishment of the coup d'etat, the revolution, or while the election was being carried on, or if he should have held this office or command within the six months preceding the coup d'etat, revolution, or the election.

Ibid., pp. 288-289.
Furthermore, in no case shall recognition be accorded to a government which arises from election to power of a citizen expressly and unquestionably disqualified by the Constitution of his country as eligible to election as President, Vice-President or Chief of State designate.

While the United States was not a party to the treaty, it had, nevertheless, given its moral support to the declaration as the best means of discouraging revolutions in the Central American countries. In June, 1923, however, the United States announced that in the future it would be guided by the principles set forth in the treaty in recognizing new governments in Central America. There were many critics of the United States who pointed out that this was further evidence of the growth of North American influence in Nicaraguan affairs, and that the probability of intervention by the United States would increase in accordance with what was called the "moral mandate" doctrine. Secretary Hughes, as chairman of the conference, had declared: "The United States has no ambition to gratify at your expense, no policy which runs counter to your national aspirations.

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24 Vicente Saenz, Norteamericanización de Centro América (San José: Talleres de La Opinión, 1925-1926). A collection of newspaper articles attacking the 1923 treaties.
and purpose save to promote the interests of peace."25 Likewise, an editor of a newspaper in San Salvador viewed the problem as one that involved less of "Yankee peril" than of danger from their own spirit of pride and disunity, and suggested that what was needed was less criticism and more imitation of the United States.26 While no doubt the fear of nonrecognition by the United States deterred political leaders from starting revolutions, it also hamstrung justifiable revolts against governments which did not represent the wishes of the people and were reluctant to resort to free elections. Normally, a Central American government once in power remained in power by presenting a façade of legality at election times, and would only lose out when physically overthrown by the opposition in a coup d'etat or revolution. The opposition, being no better, remained in power by using the same techniques until the cycle completed itself, and would then be overthrown.27 It remained to be seen if the United States could carry out its goal of free elections in Nicaragua.


26 From Diario del Salvador, March 16, 1923, as cited in Cox, Nicaragua and the United States, 1909-1927, p. 768, fn. 2.

27 Munro, The Five Republics of Central America, p. 39.
In view of the coming presidential election in the United States and the desire to improve the image of the country abroad, the Republican party declared for an early withdrawal of the marines from Nicaragua in order to forestall the use of this problem as a campaign argument against the administration.\textsuperscript{28} The Department of State considered that the withdrawal could be effected with safety only after a strong government backed by the majority of the people had been established. Therefore, in a message referred to as the "Ramer Note," named after the American Minister to Nicaragua, the United States made its position clear. In essence, the note explained the desire of the United States to withdraw the legation guard as soon as practical, and that in view of the steps already taken by the Nicaraguan government to assure freedom and fairness in the coming elections, the United States felt that the marines could be withdrawn from Managua upon the installation of the new administration. They would remain in Nicaragua during the intervening period only if the Nicaraguan government considered that their presence would assist the constituted authorities in assuring complete freedom. The United

\textsuperscript{28}Hill, p. 356.
States offered to assist Nicaragua in the installation of the new electoral system through the medium of qualified technical experts, and it also offered to assist Nicaragua in the organization and training of an efficient constabulary which would assure the maintenance of order after the marines were withdrawn. The note concluded with an expression of the hope that the Treaty of Peace and Amity, signed at Washington on February 7, 1923, would have been ratified by the Central American governments before the new administration came into office,\textsuperscript{29} and that the United States would stand behind the treaty to discourage any attempts to overthrow constitutionally formed governments.\textsuperscript{30}

The Nicaraguan government's reply to the note expressed concurrence with the suggestions of the United States. The marines were requested to remain until January, 1925. Dodds and two or three assistants were desired to assist in the registration of voters, and a national guard would be created. However, it was pointed out that Nicaragua ratified the treaty early in 1924. It was eventually ratified by all five republics.\textsuperscript{30}

\textsuperscript{29}Foreign Relations of the United States, 1923, Vol. II, p. 607.
out by the president of Nicaragua that the present budget did not, at the time, permit the establishment of the guard, and requested that the United States use its good offices to have the Financial Plan of 1920 modified.\textsuperscript{31} The subsequent delay in the formation of the guard and a series of unforeseen political developments prevented the United States from completely realizing its hopes and goals for the coming election, and its withdrawal.

The death of President Chamorro on October 12, 1923, and the succession of the Vice-President, Bartolomé Martínez, brought into the presidency an individual whose ambitions to control the administration led to a split with the Emiliano Chamorro led Conservatives, and the formation of a coalition with the Liberals. Initially interested in perpetuating himself in office, Martínez changed his mind when he received word that the Department of State did not look with favor on his candidacy for the next election.\textsuperscript{32} He then threw his support to a Liberal-Conservative coalition known as the Transaction, which nominated Carlos Solórzano, a Conservative follower of

\textsuperscript{31}Ibid., pp. 613-614.

Martínez, as president, and Dr. Juan B. Sacasa, a Liberal from León, as vice-president. Furthermore, the coalition provided "that at least two cabinet posts should be given to the Liberals as well as five jefaturas políticas, and that the Supreme Court and the lesser courts should be as evenly divided as possible." The Granada Conservatives supported Emiliano Chamorro for the presidency, while a Liberal faction which had not joined the coalition nominated Luis Corea. On July 16, 1924, Nicaraguan Minister of Foreign Affairs Urtecho inquired of the Secretary of State if the United States would look with favor on the alliance, as proposed, for the organization of a national government. Acting Secretary of State Joseph C. Grew informed the Chargé in Managua to reply to the Nicaraguan government that the United States had "no preferences whatever regarding candidates for the high office of President of Nicaragua," and that it desired "only that free and fair elections may be held in order that the will of the people may be expressed without hindrance at the polls." Furthermore, "any person who gains the office of President through free and

fair elections . . . will be accorded the recognition of the United States Government."  

Operating now from a position of strength, President Martinez declined to request the presence of Dodds at the polls, as recommended by the Secretary of State, and went ahead with plans for the election. It was necessary for Dana G. Munro, Chief of the Latin American Division, to wire Dr. Dodds to "give up plan for trip to Nicaragua." Although there were concessions made at the last minute by Martinez to use marines in civilian clothes at the polls, Secretary Hughes rejected the idea as inappropriate and untimely. The American Chargé expressed dissatisfaction with the turn of events and wrote to the Secretary of State that the reversal of

36Ibid., p. 496.
37Dana G. Munro, The United States and the Caribbean Area (Boston: World Peace Foundation, 1934), p. 245.
the cabinet decision to permit supervision was due almost entirely to Toribio Tijerino, the financial adviser to Martínez. There was also the part played by George Morgan, assistant to Dodds, who, after Dodds had left Nicaragua, remained in the employment of Martinez. The election was held and passed quietly, except for one clash. According to one writer, it was "the fairest ever held in Nicaragua." However, according to the Chargé who was in Nicaragua during the period the election was "merely another example of the inevitable triumph of the Central American official candidate," and his report to the Department of State clearly substantiated his view that the election had been improperly held. Of the votes cast, Solórzano received 48,072, Chamorro, 28,760, and Corea, 7,264.


41 Cox, p. 775.

42 Greer, pp. 461-462.

Reluctantly, the United States decided to accord recognition to Solórzano when he assumed the presidency on January 1, 1925, but not without reservations. Prior to his inauguration, Solórzano made the following statement to the Charge at the request of Secretary Hughes:44

One. I make definite assurance that the 1928 elections will be carried out in full freedom and fairness for all parties and strictly in accordance with the provisions of the Dodds electoral law and that the latter will not be modified except in strict accordance with the advice of Dr. Dodds or another suitable electoral expert in accord with the Department of State.

Two. I give definite formal engagement that immediately upon assuming office I will form a constabulary in order to provide a suitable means to maintain order upon the withdrawal of the American marines for which I request the assistance of the government of the United States in its training and organization according to the convention for the limitation of armaments signed at Washington February 7th, 1923.

Three. I give formal definite engagement that I will undertake adequate and satisfactory measures with which the government of the United States could cooperate for the solution of the economic problems of Nicaragua, and,

Four. I shall consider the expediency of obtaining the cooperation of as many political elements in Nicaragua as possible in forming my government.

44Ibid., pp. 52-53.
In accordance with the agreement made with the Martinez administration in 1923, the United States made plans to withdraw the legation guard in January, 1925, but it ran into difficulties with the Solórzano administration that delayed departure until August, 1925. It was alleged that Minister John Ramer encouraged the Nicaraguan government to hope for a postponement of the withdrawal in order to protect his business interests in Nicaragua.\textsuperscript{45} Fearful of an uprising from the defeated party and lacking sufficient force to deal with the situation, Solórzano requested that the legation guard remain until he could carry out the organization and training of a constabulary.\textsuperscript{46} Legislation to provide for a guard had been delayed due to the arguing and fighting in the cabinet and in Congress where each faction tried to run the government. In spite of the fact that no definite steps had been taken since 1923 to organize the guard, and the desire of the United States to remove the marines to improve its image in Latin America, Secretary Hughes reluctantly agreed to


\textsuperscript{46}Foreign Relations of the United States, 1925 (Washington, D. C., 1940), Vol. II, p. 621.
permit the marines to remain until September 1, 1925, but with the understanding that the organization of the constabulary would be undertaken immediately and energetically. Again in March it was necessary for the Department of State to urge Solorzano to take some action, and to remind him that the legation guard would be removed if the constabulary was not formed. Finally in May, after considerable modification of the original plan as submitted by the Department of State in February, the legislative body passed a law for organizing a constabulary force of 400 men. The Secretary of State accepted Solorzano's plan despite the Charge's warning that the constabulary would become a political instrument in the hands of the government. At the same time, Nicaragua requested that the Department of State suggest to it names of persons competent to organize the constabulary. At that time no legislation existed in the


50 Ellis, p. 61.
United States whereby the active army, navy, or marine forces of the United States could be detailed for such purpose.\textsuperscript{51} Thereupon the Department of State recommended Major Calvin Carter, a retired officer of the Philippine Constabulary, and on June 10, Carter signed a contract with the Nicaraguan Chargé d'Affairs.\textsuperscript{52} On June 30, Carter arrived at Bluefields and proceeded cross-country to Managua. The following day, two assistants arrived at Corinto. Last minute attempts by Nicaragua to use the marines to organize and train recruits for the constabulary were denied, and the legation guard was withdrawn from Managua on August 1, 1925.\textsuperscript{53} On August 3, the marines embarked at Corinto. This action terminated the legation guard at Managua, which had been established January 9, 1913, and had consisted of four commissioned officers and 101 enlisted men.\textsuperscript{54}

\textsuperscript{51}\textit{United States and Nicaragua. A Survey}, p. 54. According to footnote 69, an act of May 19, 1926 gave the President the right to use the members of the armed forces in such a capacity.

\textsuperscript{52}\textit{Foreign Relations of the United States, 1925}, Vol. II, p. 633.

\textsuperscript{53}\textit{Hill}, p. 359.

CHAPTER III

INTERVENTION

The departure of Warren Harding from the White House to be replaced by another Republican, Calvin Coolidge, and the departure of Charles Evans Hughes, the Secretary of State, to be replaced by Frank B. Kellogg, marked the beginning of a new administration which was labeled by Sumner Welles, in retrospect, as "the unhappy four years."\(^1\) It was a period that witnessed a backward step in United States foreign relations with Latin America when the government found it necessary to send the marines back to Nicaragua to intervene in their internal affairs, and at the same time became involved in a major crisis with Mexico which paralleled and was inflamed by that with Nicaragua. It was also a period that saw peace brought to both areas when President Coolidge sent Dwight W. Morrow to Mexico and Henry L. Stimson to Nicaragua. Ironically, however, it was the uproar created both at home and abroad over the mishandling of the Nicaraguan affair that led to a series

\(^{1}\)Welles, p. 188.
of changes in United States foreign policy and the subsequently announced "good neighbor policy" of Franklin D. Roosevelt.

A significant change in the field of diplomatic relations was a reorganization in the Department of State brought about by the Rogers Act of 1924. It was a culmination of efforts extending over three decades to take the Foreign Service out of politics and to establish it as a permanent career, with merit alone to serve as the basis for appointment and promotion. The most important and original feature of the legislation was the amalgamation of the Diplomatic and Consular Services into a unified Foreign Service. Incompetent diplomatic representation had been a major factor in many of the most unfortunate episodes in the Caribbean during the first decades of the century by following such a policy of assigning lesser politicians to the relatively unattractive posts in the Caribbean. After the reorganization, it became a more efficient organization.  

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3Munro, Intervention and Dollar Diplomacy, pp. 21-23.
The departure of the marines from Nicaragua was the signal for the opposition, the Chamorro led Conservatives, to strengthen their forces in order to prevent the Liberals from carrying out their program of gaining complete control of the government. The announcement of President Solorzano on August 28, 1925, just three weeks after the departure of the marines, of a new cabinet led to a raid by Alfredo Rivas, commander of La Loma, and 100 of his troops at a social function held at the International Club. Several important Liberal leaders were arrested, including General Moncada and the Minister of Finance. This action brought about the replacement of the Minister of Finance by a Conservative and the annexation of the Ministry of War to the presidency. Continued unrest led to the presence of United States warships at Corinto and Bluefields which helped to stabilize the situation.

On the morning of October 25, 1925, General Emiliano Chamorro took possession of La Loma without firing a shot. He was now in position to oust the

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5 Ibid., p. 638.

government and to impose his will on the nation. To strengthen his position, Chamorro then forced President Solórzano to sign a pact in which the latter agreed to the following:7

1. That the Transaction pacts be broken and be considered as of no value henceforth;

2. That the Cabinet be composed entirely of Conservatives;

3. That full amnesty be granted to all partisans in the recent outbreak;

4. That the Government pay General Chamorro $10,000 for the expenses of the uprising, in addition to paying the troops involved;

5. That General Chamorro be named Commander in Chief of the Army.

Chamorro then proceeded to dispatch 1,200 men to León, stating that they would remain there until Vice-President Sacasa resigned. Fearing for his life, Sacasa fled the country and sought refuge at La Union, Honduras.8 Chamorro's next step was to pack the Congress by disqualifying eleven Liberal and Conservative Republican congressmen whom he claimed had been forcibly and therefore illegally seated the previous year. He then

7United States and Nicaragua. A Survey, p. 56.

proceeded to prefer charges of conspiracy against Sacasa, giving him twenty-five days to return and answer the charges. 9

The Department of State, which had warned Chamorro before President Solórzano's inauguration that it would give its moral support to the constituted authorities in the event of revolutionary disturbances, informed him after the coup d'état that no government assuming power by force could hope for American recognition, but that it would recognize any successor to Solórzano chosen by "constitutional" means. 10 Regardless of this advice, Chamorro proceeded to carry out his plan to gain control of the presidency. Although initially he favored Díaz for that position, in December he suddenly changed his mind in favor of a plan to elevate himself to the presidency. 11 This decision was apparently strongly influenced by advice from Chandler P. Anderson. 12

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9 Ibid., p. 644.


11 Ibid., p. 646.

12 Ellis, p. 63.
Anderson had been employed in 1917 as Nicaraguan counsel in the boundary dispute with Honduras, and he had continued as legal advisor to the Nicaraguan Legation. Having also been employed by the Department of State as special counsel to ex-Secretary of State, Elihu Root, and in 1910 as first counselor, Anderson was in a unique position to advise Chamorro and to champion his cause. Developing the theory that the Solorzano-Sacasa ticket had been elected unconstitutionally— as many in the Department of State already believed— Anderson argued that this fact absolved the Department of State from dependence upon the recognition provisions of the 1923 treaty. He then proceeded, on December 22, to telegraph Chamorro, via the Legation, that the Department of State would have difficulty in refusing recognition to a government recognized by Congress along constitutional lines, and especially after it is an accomplished fact. With such advice and assurances, Chamorro took the next step to elevate himself into the saddle. On January 3, 1926, he was elected, without opposition, Senator from Managua, the vacancy having been created by means of

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14Ellis, pp. 62-63.
resignation of one of his friends. Next, on January 12, 1926, upon receiving no answer to the charged filed against Sacasa, the Congress declared the office vacant and elected Chamorro First Designate for the presidency. Furthermore, on the same day, Sacasa was banished from Nicaragua for two years. Lastly, on January 16, the Congress granted Solorzano an indefinite leave of absence, and Chamorro assumed the presidency. Solorzano had attempted to resign on January 14, but the Congress failed to act. To consolidate his position, Chamorro, on April 13, had Congress remove four Liberal judges of the Supreme Court, thus bringing all branches of the government under control of his party. In consideration of the General Treaty of Peace and Amity of 1923, signed by Chamorro, himself, on behalf of Nicaragua, the United States refused to recognize Chamorro and was followed in this refusal by the four parties to the treaty other than Nicaragua.\textsuperscript{15}

Equally as adamant in refusing to recognize the regime of Chamorro was the Department of State's refusal to officially recognize and aid Sacasa. Maintaining the

\textsuperscript{15}United States in Nicaragua. A Survey, pp. 55-58.
position that in the 1923 treaty there was no provision compelling the signatories to intervene to depose the de facto authorities in favor of the de jure, the Department of State refused to support Sacasa and, thus, unofficially aided Chamorro. Chamorro, on the other hand, advised by Anderson and encouraged by an unusual prosperity, hopefully waited for eventual recognition. In spite of British pressure to recognize Chamorro as the only strong man in Nicaragua who could hold the country together, the Department of State held steadfastly to the provisions of the 1923 treaty.\textsuperscript{16}

The inevitable Liberal revolution against the Chamorro regime broke out on May 2, 1926, when the Liberal insurgents captured the towns of Bluefields and Rama on the eastern littoral. Chamorro minimized the revolutionary movement, maintaining that it would amount to little more than guerrilla warfare. However, when armed Liberals raided the branch of the National Bank at Bluefields and obtained $161,642.06,\textsuperscript{17} a protest from the manager brought the U.S.S. \textit{Cleveland} whose commander


\textsuperscript{17}Russell, p. 102.
declared the area a neutral zone. Chamorro's forces eventually gained the upper hand and the first phase of the revolution was over. Sacasa, having left the United States in May, in disgust, travelled to Mexico and then to Guatemala seeking support for another uprising. This materialized in August when hostilities were renewed on both coasts. Chamorro's forces were able to contain the outbreak on the west coast, but Liberal forces soon took possession of several ports on the east coast. United States naval forces were again dispatched to Bluefields where bluejackets and marines were landed, and the area, again, declared a neutral zone.

Chamorro's relationship with the United States became more and more untenable. Faced with a continual opposition on the part of Minister Charles Eberhardt, speaking for the Department of State, to recognize his regime, and a growing unrest among the people, including his own Conservative members, over the restrictions and expenses to carry out the campaign, Chamorro, in June, started bargaining in his own behalf to step down if he would be assured of agreement of his candidacy for president in 1928. He also proposed that in the meanwhile he be permitted to retain his military leadership.

18 New York Times, August 20, 1926.
Continued opposition on the part of the new Minister, Lawrence Dennis, and a memorandum from the office of the Solicitor of the Department of State which concluded against Chamorro's eligibility in 1928, led to the Department's decision that Chamorro must go. It was, however, Chamorro's telegram to the Secretary General of the League of Nations, of which Nicaragua was a member, that induced more forthright action and contributed to his ultimate downfall. In the telegram, Chamorro alleged that "on the 17th instant the Mexican auxiliary warship Concon had set sail from Salina Cruz on a free-booting expedition against the peace of Nicaragua" and that "it was equipped, armed and manned . . . by the Mexican Government for the purpose of assisting Nicaraguan revolutionaries." \(^{19}\)

In a note drafted by Dennis, Chamorro requested the good offices of the United States in helping to choose his successor. On September 12, 1926, Dennis was instructed by the Department of State to bring the two contending factions to an agreement. \(^{20}\) With Liberal acceptance of the armistice terms proposed by Chamorro,

\(^{19}\) *New York Times*, August 28, 1926.

\(^{20}\) *Ibid.*, September 13 and 14, 1926.
both sides agreed to the establishment of a neutral zone at Corinto and the use of the U.S.S. Denver as the conference site. The conference was held from October 16 to 24, 1926, with the American Charge acting as chairman at the meetings. The conference reached a deadlock due to an insistence on the part of the Liberals to restore Sacasa to the presidency, and the reluctance of the Conservatives to give up the office. It was alleged that the Liberals had been warned by the president of Mexico, Plutarco Elías Calles, on October 18, that unless the conference agreed to a government headed by Sacasa, the Mexican government would withdraw all moral and material support. Sacasa reportedly agreed a week later, October 25, not to condone extension of the Corinto Conference, promised to leave for Puerto Cabezas, where he arrived early in December and accepted another 50,000 Mexican pesos for preliminary expenses.\textsuperscript{21} Having failed to reach an agreement at the conference, both sides renewed hostilities on October 30.\textsuperscript{22}

\textsuperscript{21}Ellis, fn. 20, p. 256.

\textsuperscript{22}Barcenas J. Meneses, \textit{Las Conferencias del Denver} (Managua: Tip, y Encuadernación Nacional, 1926), a complete report of the proceedings.
On the same day, Chamorro, in accordance with a promise which he had made to the American Charge before the peace conference, formally turned over the executive power to Sebastián Uriza. Uriza had been appointed second designate by the Congress controlled by Chamorro. The same day, Senator Uriza appointed Chamorro as commander in chief of the army. The United States withheld recognition from Uriza on the same legal grounds on which it had withheld it from Chamorro. Realizing that the United States insisted upon a designate chosen by a properly reconstituted Congress, Uriza convoked a new extraordinary session of Congress. He invited the eighteen members expelled by Chamorro to resume their seats, of which three did, and six others were represented by duly qualified alternates who had been legally elected in 1924. When the session opened on November 10, 1926, fifty-three members were present out of a total of sixty-seven, and of these, two voted for Solorzano and forty-four for Díaz. The remaining seven members present


24Cox, p. 782.

abstained from voting. Diaz took over the executive power from Uriza on November 11, was inaugurated president on November 14, and was recognized as such on November 17 by the United States.

The constitutionality of Diaz's election was the subject of much controversy. Since the United States had acknowledged a moral obligation to apply the principles of the 1923 treaty, there arose the question of which of the two claimants to the presidency had the better title, Diaz or Sacasa? The question turned upon Article 106 of the Nicaraguan Constitution which Diaz's supporters claimed was the basis for his selection. The article read as follows:

In case of the absolute or temporary lack of a President of the Republic, the office of the Chief Executive shall devolve on the Vice President, and in default of the latter, upon one of the emergency candidates in the order of their election. In the latter case, if Congress is in session, it shall be its duty to authorize the entrustment of the office to the Representative whom it may designate, who must fulfill the requirements for President of the Republic.

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26 Cox, p. 864. Message from the President of the United States to the Congress, January 10, 1927.

27 Ibid., p. 865.

The Liberals asserted that Sacasa had been the constitutional president of Nicaragua since the resignation of Solorzano and that he had not lost his rights by virtue of the fact that he had been compelled to leave the country by threats of violence. Furthermore, there were those who asserted the ineligibility of Diaz in light of the fact that he was the blood uncle of one of the leaders of the Chamorro coup d'etat of 1925 against Solorzano, namely, Humberto Pasos Diaz. Senator Borah went on in his denunciation of Diaz when he said that "Diaz was just as much a part of the coup d'etat as Chamorro. The people of Nicaragua understand perfectly his position. He was an adviser and counsellor of the movement." Senator Borah went on in his denunciation of Diaz when he said that "Diaz was just as much a part of the coup d'etat as Chamorro. The people of Nicaragua understand perfectly his position. He was an adviser and counsellor of the movement."  

Henry L. Stimson defended the action of the United States government when he said that the decision to recognize Diaz was that of President Coolidge, who had acted in good faith, and in his, Stimson's, opinion was correct according to the facts. Additionally, Stimson, in retrospect, took exception to the action taken by the United States government.

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30 Congressional Digest, Vol. VI (April, 1927, p. 126.

31 Stimson, pp. 28-29.
Senate, with particular reference to Senator Borah, Chairman of the Foreign Relations Committee, to investigate the matter.  

The failure of the Liberals to gain the presidency of the republic led to the establishment of a rival government headed by Sacasa at Puerto Cabezas on December 1, 1926. Proclaiming himself "Constitutional President of Nicaragua," Sacasa established a cabinet which included General Moncada as Minister of War and Navy, and sought recognition from the United States and the Latin American countries. Mexico alone accorded recognition. 

Military operations having resumed on October 30, 1926, after the abortive Corinto Conference, the Liberals soon assumed control of the east coast. They slowly became involved in a controversy over the customs duties, endangering the lives and interests of the American and British citizens who formed a large part of the population and controlled most of the industry and trade of that region. In view of the seriousness of the situation,

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Diaz, on November 15, 1926, formally requested the assistance of the United States in protecting American lives and property and pointed out the difficult situation he faced in Nicaragua due to the attitude assumed by Mexico. In addition, he gave the United States carte blanche in adopting any means to reach a solution.34 Though informed by the Department of State that the fact that the United States had accorded him recognition did not put upon the United States any obligation to protect his government by physical means, Diaz, on December 15, reiterated his statement, and three days later declared his belief that the United States would not "stand aloof and allow Mexico to overthrow a Nicaraguan Government recognized by the United States."35 While Liberal forces were achieving a series of successes, on December 23 and 28, Diaz repeated his bids for American intervention and elaborated his charges that Mexico was aiding the Sacasa faction.

Faced with a deteriorating situation in Nicaragua, the Department of State was hard pressed for a solution, and it only had to turn to Mexico to find justification

34Ellis, p. 69.

for its forthcoming actions. The political character of the intervention was in part due to the tenseness of United States-Mexican relations in the autumn of 1926 as a result of Mexican plans to expropriate lands owned by foreigners—plans which were opposed by the United States as contrary to international law and equity. The dispute was worsened by strong feelings on the part of Catholics in the United States aroused by the campaign of Calles to restrict certain practices of the Mexican clergy. In addition, the Mexican government engaged in activities in Central America which, late in 1926, began to appear in Washington and in Central America as efforts to extend Mexican political influence over the smaller neighbors. These activities caused serious concern in Washington. Whatever the intentions of the Mexican government and whatever the precise nature of its policy at the time, the view was held among high officials of the United States that "the evidence before the Department [of State] shows an unmistakable attempt on the part of Mexico to extend Mexican influence over Central America with the unquestionable aim of ultimately achieving a Mexican

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primacy over the Central American countries," and of setting up governments in Central America "which will be not only friendly but subservient to Mexico and completely under Mexican domination." In an attempt to alert the public to Mexican shortcomings and to build up public support for a stronger policy in Nicaragua, Assistant Secretary Robert E. Olds called in representatives of the four press associations on November 16 or 17, and painted a lurid and detailed picture of Communist activities in Mexico which were allegedly filtering southward into Central America and endangering the Panama Canal. He urged the correspondents to air the situation without reference to the Department of State. The Associated Press, alone, complied with the request, after clearing the article with Hugh R. Wilson, Department of State press contact. The story tied in with the recognition of Adolfo Díaz and created a furor of no mean proportions. Violent criticisms of the administration broke out all over the United States, with the administration being accused of building up hatred of Mexico. The stage was set for further action.

37 Ibid., p. 15. Refer to p. 368, fn. 7, for a memorandum by Stokeley W. Morgan, December 2, 1926.
38 New York Times, November 17, 18, 19, 1926.
On December 23, 1926, Admiral Julian Latimer, commanding the United States cruiser force in the Caribbean, landed sailors and marines at Bluefields and at Rio Grande Bar, and on the following day sent ashore additional forces at Puerto Cabezas, the capital city of the Liberal faction. According to the Department of State, the action was taken in order to protect American lives and property in the disturbed areas after appeals for protection had been received from American citizens having interests in that district. A neutral zone which included all the territory lying within rifle range of the American properties at these ports was established by order of Admiral Latimer immediately after the forces landed, and all Nicaraguans within the zones were required to disarm. Sacasa and his troops were given permission to leave the zone at Puerto Cabezas under arms, provided they did so before four o'clock on December 24. A censorship on radio stations within the neutral zones was enforced for a week, being lifted after Sacasa registered a protest against it with the Department of State.

40 Current History (March, 1927), p. 735.
The establishment of these neutral zones in December, 1926 and of others in the following year evoked protests from Sacasa and his supporters who declared that the effect was to hamper their military operations against their Conservative opponents. This allegation was never admitted by the United States government, which maintained that the zones were established with the sole purpose of protecting American and foreign lives and property.

In regard to the Puerto Cabezas Zone, in particular, it was pointed out that Sacasa, himself, in his capacity as head of a would-be civil administration, was allowed to remain in residence there in a house provided by the American lumber company. The United States continued, however, to take measures for the protection of American interests.

Fighting between the opposing factions still continued, especially in the interior, and on January 10, 1927, Admiral Latimer announced the establishment of three more neutral zones. Indeed, the Liberal forces made such rapid progress that by the first week in January they

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42 Ibid., December 29, 1926.


44 Ibid.
were threatening the political and economic heart of the country between the Pacific port of Corinto and the town of Granada at the northwestern end of Lake Nicaragua. In view of the danger of Managua being cut off from its port on the Pacific, Corinto, and repeated requests not only from United States citizens but from several foreign governments on behalf of their respective nationals, on January 6, 1927, a combined landing force of sailors and marines from the U.S.S. Galveston was sent from Corinto to Managua as a legation guard. The marines had returned after an absence of only seventeen months.

The violent reaction in Congress and in the American press over the escalation of events in Nicaragua and over Olds's covert charges against Mexican participation in the Nicaraguan revolt made it clear that a large section of American public opinion disapproved of the policy which the United States had adopted. Perhaps the disapproval was more appropriately with the manner in which the policy was being formulated than the action itself. At any rate, reports of events in Nicaragua, often distorted by persons who wished for commercial or political reasons to create hostility to the United

\[45\text{United States Daily, January 6 and 7, 1927.}\]
States, were causing an increasingly unfriendly feeling throughout Latin America, with unfortunate effects upon American interests there. In the United States Senate, Senator Borah publicly suggested that "oil interests" were encouraging an intervention in Nicaragua as part of an effort "to get this country into a shameless, cowardly little war with Mexico." A formal statement of the administration's Nicaraguan policy finally put an end to the day-to-day issuance of justifications by the Department of State when, on January 10, 1927, President Coolidge explained his actions in a message to Congress. After describing the Nicaraguan situation at length, and referring especially to the aid received by the revolutionists from Mexican sources, the President explained the United States policy by stating:

Manifestly the relation of this Government to the Nicaraguan situation, and its policy in the existing emergency, are determined by the facts which I have described. The proprietary rights of the United States in the Nicaraguan canal route, with the necessary implications growing out of it affecting the Panama Canal, together with the

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46 Cox, pp. 786-787.


obligations flowing from the investments of all classes of our citizens in Nicaragua, place us in a position of peculiar responsibility.

I am sure it is not the desire of the United States to intervene in the internal affairs of Nicaragua or of any other Central American republic. Nevertheless, it must be said that we have a very definite and special interest in the maintenance of order and good government in Nicaragua at the present time, and that the stability, prosperity and independence of all Central America countries can never be a matter of indifference to us.

The United States cannot, therefore, fail to view with deep concern any serious threat to stability and constitutional government in Nicaragua tending toward anarchy and jeopardizing American interests, especially if such state of affairs is contributed to or brought about by outside influence or by any foreign power. It has always been and remains the policy of the United States in such circumstances to take the steps that may be necessary for the preservation and protection of the lives, the property and the interests of its citizens and of this government itself. In this respect I propose to follow the path of my predecessors.

Consequently, I have deemed it my duty to use the powers committed to me to insure the adequate protection of all American interests in Nicaragua, whether they be endangered by internal strife or by outside interference in the affairs of that republic.

The administration's case was further explained by Secretary Frank B. Kellogg in hearings before the Senate Committee on Foreign Relations on January 12. The Secretary presented a memorandum entitled "Bolshevist Aims and Policies in Mexico and Latin America," in which it was asserted that "the Bolshevist leaders" have "set up as one of their fundamental tasks the destruction of
what they term American imperialism as a necessary pre-requisite to the successful development of the international revolutionary movement in the New World."

In support of these claims, quotations were offered from resolutions passed by various Communist organizations and from articles in Communist publications.\(^{49}\)

Neither the President's message nor the Secretary's questionable expose could still the debate that had been aroused over Nicaragua and Mexico. Press, periodical, and congressional comment united in a severe censure playing up Kellogg's war of nerves.\(^{50}\) The Nation called Kellogg's outburst "an insult to the intelligence of every sane American" which should compel his retirement.\(^{51}\) The press divided according to party label, with the independent press generally opposing the administration. Most of the students, professional and labor groups were in opposition and favored arbitration for the questions at

\(^{49}\) Advocate of Peace (February, 1927), pp. 115-119. Also Congressional Record, LXVIII, 69th Cong. 2d Sess., pp. 1,649-1,651.

\(^{50}\) Congressional Record, LXVIII, 69th Cong. 2d Sess., pp. 1,428-1,429, 1,444-1,445, and 1,883; Stuart, The Department of State, p. 284; The Independent, January 22, 1927, pp. 85-86, 101-102.

\(^{51}\) The Nation (January 26, 1927), p. 80.
issue. In foreign countries unofficial criticism was overwhelmingly adverse to the administration, although inclined to draw a distinction between its policy and the attitude of the American people. Even the two rival claimants to the presidency of Nicaragua made statements in their own behalf. Diaz reiterated his charges against Mexico, defended the regularity of his election, and declared his freedom from entangling fiscal obligations. Sacasa reviewed the events that led to the elevation of his rival and complained of the restrictions imposed on himself and his forces by Admiral Latimer. He disclaimed any hostility against the United States and stood ready to accept its friendship and cooperation in advancing the canal project, and of its capitalists in developing the resources of the country.

Meanwhile, the United States became more involved in Nicaragua. In reply to the Mexican government's export of arms into Nicaragua for the benefit of Sacasa's forces, President Coolidge, at the request of President

52 *New York Times*, January 12, 14, 15, 16, 17, 20, 1927, for quotations from the foreign press.


Diaz, lifted, on January 5, 1927, the arms embargo which had been proclaimed on the preceding September 15, 1926 when negotiations were leading up to the Corinto Conference. The following day, Admiral Latimer was given a free hand to intercept any arms imported into Nicaragua by unauthorized persons. On February 25, 1927, the United States sold a quantity of rifles, machine guns and ammunition to the Diaz government from surplus stocks, acting under the authority of an act of Congress of June 5, 1920. In March, the Department of State raised no objection to a loan of $1,000,000 by American bankers, although it "did not suggest or recommend this loan and assumed no responsibility in connection with the transaction." Additionally, more troops were landed as the situation became worse.

In February, the situation in Nicaragua became more serious as armed hostilities under General Moncada broke out on the west coast, the town of Chinandega being nearly destroyed in a sanguinary struggle. Alarmed by these rapid developments, Diaz stated that he hoped

55United States Daily, January 6, 1927.
57Ibid., p. 70.
the marines would remain forever, and that he would be willing to resign if Washington desired such a solution.\(^58\) Under pressure he retracted the statement, but mounting complications led Minister Eberhardt to repeatedly advise that, in light of Mexican aid to the Liberals, the only alternative to save the situation was a "positive, complete, and immediate intervention" by United States forces.\(^59\) On February 20, 1927, additional forces were landed in order to keep open the railway between Corinto and Managua.\(^60\) On the same day, Díaz made a proposal through the United States Minister at Managua for a treaty of alliance between Nicaragua and the United States amounting to a protectorate with the United States. The proposal was not taken up by the Department of State.\(^61\) Further United States reinforcements arrived at Corinto, and on March 9, Brigadier General Logan Feland arrived and proceeded to Managua in command of all United States forces.

\(^58\) *New York Times*, February 10, 10, 1927.


\(^60\) *United States Daily*, March 3, 1927.

\(^61\) Cox, pp. 795-796, 870.
forces ashore in western Nicaragua. With these reinforce­ments, Feland extended the field of United States operations to Granada to protect the Pacific Railway, and to Matagalpa after an attack had been made on the American Consular Agent. At Matagalpa the marines came in close contact with the Nicaraguan Liberal forces, and on April 18, the town was declared a neutral zone.62 Department of State fears that direct marine operations against the revolutionists would subject the President to the charge of waging war without Congressional consent were about to be realized. Chandler P. Anderson and his business associates again entered the picture by enlisting the interest of Senator Walter E. Edge of New Jersey in convincing President Coolidge that it was time to begin building a second canal. This timely report apparently reinforced a growing presidential conviction that Nicaraguan disturbances must be ended. The net result was the Stimson-Mission, inaugurated on March 31, after a conference with Olds, Kellogg, and Edge.63


CHAPTER IV

RECONCILIATION

Henry L. Stimson arrived in Nicaragua April 17, 1927, conferred with United States representatives, President Díaz, Conservatives, and Liberals. As the special representative of the President, Stimson had been instructed to go to Nicaragua to investigate and report on the situation; and as Stimson later wrote, "if I should find a chance to straighten the matter out he wished I would try to do so."¹

The first condition essential for a settlement, arrived at by Stimson, was that the elections for the presidency, the Senate, and the Chamber of Deputies, which were due in October, 1928, should be carried out under United States supervision. In a communiqué to the Department of State, Stimson clearly stated that "free elections" were the "very heart of Nicaraguan problems,"² because at the present the only way to accomplish a change in the party that controls the government is by

¹Stimson, p. 42.
a revolution or a coup d'état. The "greatest inducement that can now be offered to Liberal leaders to agree to early peace would be the knowledge that the United States would supervise elections of 1928."3 Stimson furthermore told the Secretary of State that "unless notified to the contrary shall assume that request for American supervision of election made by Nicaraguan Government and leaders of Liberal opposition would be at least most seriously considered by the President."4 The Department of State concurred in his proposal but did enunciate the fact that the supervision of the election should be provided for entirely by Nicaraguan laws or decrees, with action on the part of the United States to be initiated by a request from Nicaragua.5

In applying the problem of holding a fair election in Nicaragua, Stimson felt that certain requirements must be met, as follows:6

There must first be peace and general amnesty. There must be then a complete disarmament, so far as possible, of the entire population, in

3 Ibid.
5 Ibid.
6 Stimson, p. 59.
which at the time every man was going about with his hand metaphorically on his pistol pocket. Finally a new and impartial police force must be created to take the place of the forces which the Government was in the habit of using to terrorize and control elections.

This last condition was suggested by the recent experience of the United States in attempting to compose another quarrel between Latin Americans. 7 Stimson had made a personal study of the American attempt to supervise the plebiscite in Tacna-Arica and was thoroughly familiar with the way in which the patient and earnest efforts of generals John Pershing and William Lassiter to hold a fair election had been thwarted by the fact that the police power over the territory was in the hands of one of the parties, and that the American commissioner had not sufficient authority to maintain order and prevent intimidation. 8

In Nicaragua,

an effort had been made, two years ago, to establish an impartial national constabulary under the instruction of a retired American officer recommended by our Government. The effort had failed, and under the Chamorro regime the constabulary had been debauched and diverted from its non-partisan status largely because the power of the American officer had been limited to instruction and not command. Under the existing situation it was clear that to render impartial and effective

7 Graham H. Stuart, The Tacna-Arica Dispute (Boston: World Peace Foundation, 1927), presents a comprehensive account.

8 Stimson, p. 58.
service in protecting the polls such a constabulary must be created, instructed, and temporarily commanded by Americans who, being members of our active military forces, had their future record to consider and were above local temptations. This meant practically that it should be so instructed and officered temporarily by men of our Marine Corps.

These conditions were drastic, but they were demanded by a drastic situation.

On April 22, 1927, Stimson obtained from Díaz a memorandum of peace terms which he was willing to see presented to his Liberal opponents. The terms consisted of the following:

1. Immediate general peace in time for the new crop and delivery of arms simultaneously by both parties to American custody.

2. General amnesty and return of exiles and return of confiscated property.

3. Participation in Díaz cabinet by representative Liberals.

4. Organization of a Nicaraguan constabulary on a non-partisan basis commanded by American officers.

5. Supervision of election in 1928 and succeeding years by Americans who will have ample police power to make such supervision effective.

6. Continuance temporarily of a sufficient force of marines to make the foregoing effective.

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9 Ibid., pp. 59-60.

10 Ibid., pp. 63-64.
The Liberal leaders in Managua transmitted the above proposal to Sacasa. At the same time they informed him that Stimson would be glad to confer with him or his authorized representative in Managua. Declining to proceed to Managua himself, Sacasa sent his representative who travelled aboard the U. S. destroyer Preston from the east coast to the west via the Panama Canal.

Stimson was of the firm opinion that one of the conditions essential for a settlement was that until the election of October, 1928 had been held, Diaz should occupy the presidency. Even in the face of a suggestion from the Secretary of State that "in our [Kellogg and Coolidge] judgment even the elimination of Diaz as a last resort, should not be excluded as a possibility," Stimson was reluctant to cede the point even though it was likely to lead to forcible disarmament of the Liberal forces, whereupon the Department of State authorized Stimson "to use your own discretion" in such matters. In fact, it proved to be the chief stumbling block in the subsequent negotiations between Stimson and the Liberals.

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12Ibid.
Having thus determined upon his course of action, Stimson set out to secure the compliance of Sacasa and his supporters. Conferring at Managua on April 30 and May 1, the Liberals asserted that their party recognized that the United States had a legitimate zone of interest and influence extending as far south as Panama and that they considered the fact natural and beneficial in its results to Nicaragua. But they were absolutely silent as to the single point of President Díaz’s unexpired term, and at the close of two days [Stimson] came to the reluctant conclusion that they would not or could not expressly agree to that indispensable condition.  

At the suggestion of the delegates that Stimson confer with General Moncada because they left to him and his army the whole responsibility of the problem, the discussion was then extended to include Moncada and the delegates on May 4 at Tipitapa. Here again the condition in regard to Díaz proved to be the stumbling block. Moncada "read the peace terms and fully approved them—all except the unexpired term of Díaz, which he said he could not in honor ask the army to accept," but if Stimson would assure him that the United States Government "insisted on Díaz as a necessary condition to" their "supervision of the election, he would not fight the

13Stimson, p. 72.

United States." If Stimson "would give him a letter to that effect, he would use it to persuade his army to lay down its arms." Accordingly, Stimson, at once, furnished him with the following letter:15

Dear General Moncada: Confirming our conversation of this morning, I have the honor to inform you that I am authorized to say that the President of the United States intends to accept the request of the Nicaraguan Government to supervise the election of 1928; that the retention of President Díaz during the remainder of his term is regarded as essential to that plan and will be insisted upon; that a general disarmament of the country is also regarded as essential for the proper and successful conduct of such election; and that the forces of the United States will be authorized to accept the custody of the arms of those willing to lay them down, including the government, and to disarm forcibly those who will not do so.

In his published account of the negotiations, Stimson afterwards observed that he included the last sentence in this letter "not as a threat to Moncada's organized and loyal troops . . . but as a needed warning to the bandit fringe who were watching for any sign that [the United States Government] was not in earnest."16 The New York Times, in an editorial on May 9, 1927, remarked that the use of such threatening terms had "sowed a crop

15Stimson, pp. 78-79.

16Ibid., p. 79.
of dislike and suspicion of the United States throughout all Central and South America.\(^{17}\)

The advent of the rainy season, which made communications difficult and slow, delayed the acceptance of the disarmament for eight days. During that time a truce was declared between the government and the Liberal forces, with United States marines stationed between the opposing forces. Without waiting for further developments, Díaz began to carry out his part of the bargain.\(^{18}\)

He proclaimed an immediate general amnesty and permitted all his political enemies to return freely to the country. He proclaimed the freedom of the press and gave to Moncada express permission to issue through the press a general proclamation to the Liberals. He gave public notice that the membership of the Supreme Court, which had been illegally disrupted by his predecessor, General Chamorro, would be restored to the original status. He agreed to appoint Liberal jefes políticos, or governors, at the heads of the six Liberal provinces of the country in place of the Conservatives who then occupied those positions.

At the second conference at Tipitapa on May 11, 1927, Moncada informed Stimson that he had been invested by his army with full authority to conclude the negotiations. However, only after assurances on certain points

\(^{17}\)New York Times, May 9, 1927.

\(^{18}\)Stimson, p. 80.
raised by the Liberal army were subsequently given to
him by Stimson in a further letter of May 11, did
Moncada send a telegram of acceptance, "signed by him
and by all his chieftains except Sandino." The signers
formally agreed to lay down their arms and asked that
United States forces "be immediately sent to receive
them." On the same day, Colonel Robert Rhea of the
United States Marine Corps was appointed Chief of the
Constabulary, and assumed his duties. On May 15,
Stimson cabled to Coolidge: "The civil war in Nicaragua
is now definitely ended . . . . I believe that the way
is now open for the development of Nicaragua along the
lines of peace, order and ultimate self-government."22

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19 Points 4 and 6 of the terms proposed by Diaz
on April 22 were added to the conditions laid down in
Stimson's first letter to Moncada.

20 Stimson, p. 84.

21 Foreign Relations of the United States, 1927,

22 Cox, pp. 802-803.
CHAPTER V

AFTERMATH AND WITHDRAWAL

The Stimson policy was faithfully and conscientiously carried out by the United States during the following years. The presidential elections of 1928 and 1932, and those for Congress in 1930, were supervised, and their results accepted as fair by both political parties. A constabulary known as the Guardia Nacional was trained by United States Marine Corps officers, and Nicaraguan officers were trained in a military academy. All marines were withdrawn from Nicaragua on January 2, 1933, following the inauguration of Juan B. Sacasa as president, and complete control of the guard was turned over to Nicaraguan officers. The United States refrained from extending its financial control in Nicaragua and certain private American interests renounced a control which they had previously established. In the process of carrying out these objectives, the United States became involved in a guerrilla war with an individual whose resistance to the United States served mostly to symbolize the opposition

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that had been developing in Latin America to United States imperialism. The net result was not only a complete political and financial withdrawal from Nicaragua, but in the process, the development of new policies which are later to be epitomized in the "good neighbor policy." The final objectives of the United States will be considered in the following areas of financial and economic reconstruction, reconciliation of the rival Nicaraguan factions, electoral supervision, and pacification of the country.

In the area of financial and economic reconstruction, Nicaragua secured a short-term loan of $1,000,000 on March 25, 1927, from the Guaranty Trust Company and J. and W. Seligman and Company, part of it to be used to repay the "National Bank, the Anglo-South American Bank and Deilhauer, and the remainder to be used in carrying on the military campaign."¹ Although the Department of State realized that Nicaragua, in order to maintain order, needed immediate funds, it did not suggest or recommend this loan and assumed no responsibility in connection with the transaction. The loan was paid off in installments, the final payment being made

on April 21, 1928. The stock of the Pacific Railway and the National Bank which were pledged as security to the loan reverted to the national government, and since that time has not been employed as collateral. This loan was the last of the long series of contracts entered into with the New York bankers.\(^2\)

After the Tipitapa Agreement, Nicaragua, with the approval of both parties, requested the Department of State to select an expert to make a financial and economic survey of the country. Dr. William W. Cumberland, who since 1923 had been financial adviser to Haiti and was resigning his government connection to enter private business, was approached to make the study. Although the Department of State paid Cumberland's salary and expenses, it was made clear that the report, when rendered, would represent Cumberland's personal views and not those of the Department. The report was received in Washington May 4, 1928, and was made public by the Department of State on November 19, at the request of the Nicaraguan government. In summary, the report recommended:\(^3\)

\(^2\)Ibid., p. 49.

1. The assurance of sufficient financial support for the Guardia Nacional.

2. Certain fiscal reforms, such as the unification of the collection of customs and internal revenues and the establishment of a more effective High Commission and of the office of Auditor General.

3. The construction of a highway to the Atlantic Coast.

4. A loan to refund all outstanding indebtedness, and


On November 23, 1928, President Coolidge disassociated the United States government with the report insofar as the report suggested that the United States should appoint officers to supervise Nicaraguan affairs. This was one responsibility that the United States had been attempting to avoid. On the same day, in a press conference, Secretary Kellogg specifically stated that "no part of the report had been approved by the Department." As a result of the recommendations made in the spring of 1928, negotiations were carried on for a loan, but because of the approaching presidential elections in Nicaragua, the negotiations were discontinued. As a result of the rapid economic recovery of Nicaragua during 1928, the negotiations were not resumed.

^United States, Department of State, Press Release, November 23, 1928.
By the close of the following year, not only did the United States refrain from extending its financial control in Nicaragua, but certain private American interests renounced a control which they had previously established. J. and W. Seligman and Company and the Guaranty Trust Company resigned their connection with the Nicaraguan government in December, 1929, and a few months later Nicaragua came to an agreement with the International Acceptance Bank--now Bank of the Manhattan Company--of New York, under which the new company undertook to perform the same services but under less stringent conditions. It was also agreed that the National Bank of Nicaragua and the Nicaraguan Railway should become Nicaraguan companies instead of being incorporated as they were in the United States, and that the balance of both companies should be kept on deposit by the International Acceptance Bank. Any future loans desired by Nicaragua would be handled directly with the bank.

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5Hill, Fiscal Intervention, p. 49.

6Raymond L. Buell, "Reconstruction in Nicaragua," Foreign Policy Reports (November, 1930), for an over-all financial review.
In the matter of reconciliation of the rival factions, six Liberal leaders were duly appointed jefes políticos of the six Liberal provinces in accordance with the understanding between Díaz and Stimson. In addition, on July 18, 1927, the Nicaraguan Congress, in special session, accepted the resignations of the four judges of the Supreme Court who had been appointed during the Chamorro regime. The Congress thereupon re-elected the four Liberal judges who had been deposed by Chamorro to make room for his appointees.

In the area of electoral supervision, it had been agreed in correspondence of May 15 and June 10, 1927 between Presidents Díaz and Coolidge that the chairman of the National Board of Elections should be nominated by the president of the United States and appointed by the president of Nicaragua. On July 2, 1927, Coolidge nominated Brigadier General Frank R. McCoy. On October 24, the Department of State announced that on the basis of Article II of the General Treaty of Peace and

7United States Daily, June 10, 14, 1927.
8United States and Nicaragua. A Survey, p. 81.
10United States and Nicaragua. A Survey, p. 82.
Amity it would not recognize Chamorro if he were to offer himself as a candidate, while two days later Kellogg stated that he did not regard Moncada as being disqualified.\(^{11}\) In fact, Moncada was nominated as the Liberal candidate in February, 1928.\(^ {12}\) Meanwhile, municipal elections which were held on November 6, 1927, with marines acting as unofficial observers, resulted in a fairly even division between the Liberal and Conservative parties.\(^ {13}\)

On January 17, 1928, there was introduced into the Nicaraguan Congress an electoral bill which provided that the Chairman of the National Board of Elections should be a citizen of the United States, and that either a marine or United States civilian should be on every electoral board. The Department of State considered such provisions necessary to assure the holding of a free election such as had been contemplated by the two governments. This bill passed the Senate but ran into opposition in the Chamber of Deputies where it was declared unconstitutional and sent back for revision.

\(^{11}\)United States Daily, October 24, 25, 27, 1927.

\(^{12}\)United States and Nicaragua. A Survey, p. 86.

\(^{13}\)Ibid., p. 82.
Two months later a revised version of the bill was presented to the Chamber of Deputies and in spite of pressure from Eberhardt and Kellogg that supervision "must be executed" in any case by the United States, the Chamorro-led Conservatives refused to adopt the law,¹⁴ and immediately adjourned. The Department of State at this point felt that there was no recourse left but to get Díaz to put the electoral law into effect by a presidential decree, despite Minister Eberhardt's admission that "the legality of such a decree as a basis for holding an election may be questioned."¹⁵ On March 17 there was a conference at Washington between the United States Under-Secretary of State and the then Chairman of the Nicaraguan National Board of Elections, Joaquín Gómez, whereupon Gómez resigned in order to become Minister for Foreign Affairs at Managua, while on the same day McCoy was appointed Chairman of the National Board of Elections by act of the Nicaraguan Supreme Court.¹⁶ On March 21, Díaz published a presidential


¹⁶United States Daily, March 20, 1928.
decree investing the National Board of Elections with full and general authority to supervise the elections of 1928, and granting to the Chairman extraordinary powers.\textsuperscript{17} For instance, he was empowered to constitute a quorum by his presence alone, and at his own discretion to declare any action or determination an emergency measure and then pass it after twenty-four hours notice. No action or decision of the Board was to be valid unless the Chairman concurred, and in case of a tie, he was to have a casting vote.\textsuperscript{18} At Washington, the Acting Secretary of State, when questioned regarding the constitutionality of the decree, stated that it would be improper to criticize or comment upon the act of the head of another government and that the United States was more concerned with whether or not the decree gave sufficient power to McCoy to conduct free and fair elections.\textsuperscript{19}

Before the close of the year 1928, the Nicaraguan presidential election under United States supervision was an accomplished fact.\textsuperscript{20} As early as April, the Board met

\textsuperscript{17}United States and Nicaragua. A Survey, p. 86.
\textsuperscript{18}United States Daily, March 27, 1928.
\textsuperscript{19}Ibid.
\textsuperscript{20}Besides the President, there were also nine Senators and twenty-five Deputies elected.
and decided that November 4 would be the polling date. In June, McCoy asked for 1,500 additional marines to be sent to Nicaragua on special duty in connection with the election, which would reinforce the 1,000 who had been sent in March. The marines arrived in Corinto on July 16, bringing the total number of marines in Nicaragua up to about 5,200, of which about 2,500 were concerned with the coming election and the remaining 2,700 with the campaign against Sandino. To assist the National Board of Elections there was an American Electoral Mission composed of 906 Americans, likewise headed by McCoy. American members of this mission were chairmen of the thirteen departmental boards and of the 432 local boards. In August, the National Board of Elections accepted the nomination of Moncada as the Liberal candidate, while Dr. Adolfo Benard was eventually accepted as the Conservative candidate after a delay caused by a split in the ranks of the Conservative party.

The first test of the electoral arrangements was the registration of voters which took place from September 23 to October 7. The number of registrants was 148,831, an increase of twenty-eight per cent, or about

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21 United States Daily, August 24, 1928.
50,000 over that of 1924.\textsuperscript{22} On November 4, the election itself was carried out without disorder and in a free and impartial manner.\textsuperscript{23} The reported vote was 133,663, and the Liberal candidates for president and vice-president, Moncada and Medrano, respectively, were elected by a majority of 19,471.\textsuperscript{24} The work of the United States Electoral Mission was wound up on December 15, and McCoy and his assistants left Nicaragua before the end of the year. Thereupon, Díaz, on January 1, 1929, turned over the reins of the government to Moncada and the Liberals were finally in office. Among Moncada's first acts was the appointment of Sacasa as Minister of Nicaragua, in the United States.

The conduct of the presidential election under the supervision of the United States Electoral Mission seems to have had a pacifying effect on the feelings of the two rival parties towards one another, and on the feelings of the Nicaraguan people as a whole towards the United States. This was evidenced by an exchange of

\textsuperscript{22}\textit{Ibid.}, December 18, 1928.

\textsuperscript{23}\textit{Ibid.}, November 6, 1928.

\textsuperscript{24}\textit{United States and Nicaragua. A Survey}, p. 91.
letters between the candidates for the presidency of Nicaragua, Moncada and Benard on October 19 and 20, 1928. Moncada proposed to his rival that for the future both parties should renounce resorting to civil war, and that they should ensure the future holding of free elections by each promising, in advance of the present election, to request the assistance of the United States, whatever the outcome of the election. In reply, Benard definitely accepted his opponent's suggestion, and he added the two further suggestions that the public finances and the Guardia Nacional of the Nicaraguan republic, as now organized by representatives of the United States government, should be perfected and maintained on a permanent basis. No mention was made of the congressional elections which were due to be held in 1930 for one-half of the seats in the Chamber of Deputies and one-third of those in the Senate. Whereupon, on February 12, 1930, Moncada's government addressed a note to the United States signifying a desire to secure the services of a United States citizen as permanent chairman of the Nicaraguan National Board of

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Elections. In reply, the Department of State, without committing itself on the question of permanent supervision, announced on May 8, 1930, the designation of Captain Alfred W. Johnson, United States Navy, as the Chairman. He was subsequently appointed to the position by the Nicaraguan Supreme Court. On November 2, the congressional elections were held without disorder under Johnson's supervision, with the assistance of another American Electoral Mission comprising 672 persons. In January, 1932, in response to a renewed invitation from Moncada, Admiral Clark H. Woodward was nominated to supervise the presidential election to be held the following November.

The internal political situation in Nicaragua became somewhat confused as the end of Moncada's term approached. In the fall of 1931, the president had proposed that a constituent assembly rather than a congress be chosen in the elections of 1932 in order that the


28 United States, Department of State, Press Release, January 4, 1932.
whole framework of the government might be revised in such a way as to assure participation by the minority in the work of the administration. He had obtained the consent of the leading Conservatives, but had been opposed by many Liberals, who, despite Moncada's emphatic denial, alleged that the president's real purpose was to prolong his own term of office after January 1, 1933.29

The plan was abandoned after Secretary of State Stimson indicated that the Department of State would be unwilling to supervise the 1932 elections if their scope were so changed.30 When the American Electoral Mission later arrived in Nicaragua it found two separate organizations, each of which claimed to be the legal representative of the Liberal party. Consequently, Woodward ordered a plebiscite to determine who should appear on the ballot under the Liberal emblem; but before the plebiscite was held, the two factions reconciled their differences and agreed upon the nomination of Sacasa for the presidency. Rodolfo Espinosa was subsequently nominated for the vice-presidency. The Conservatives

29United States and Nicaragua. A Survey, p. 120.

finally nominated Adolfo Diaz for president and Emiliano Chamorro for vice-president.\textsuperscript{31}

The supervision of the elections in 1932 presented very difficult problems. In the first place, it was deemed advisable to reduce the American personnel as compared to previous electoral missions, partly to avoid having Americans serve in or near the regions where their nationality would make them especially liable to attack by Sandino, and where it would be impossible to protect them without sending additional forces to Nicaragua. It was also desirable to permit as many Nicaraguans as possible assist in the supervision to obtain practical experience in the conduct of the elections. This last consideration was especially important because it was intended that there should be no supervision of future elections by the United States. Even the sending to Nicaragua of the personnel considered absolutely indispensable was made difficult by an amendment inserted in the Naval Appropriations Act for 1932-1933 forbidding the use of funds for sending additional marines to Nicaragua for electoral purposes.\textsuperscript{32} Preparations for

\begin{itemize}
\item \textsuperscript{31} Ibid., p. 822.
\item \textsuperscript{32} Ibid., p. 806.
\end{itemize}
the elections had already reached a point where withdrawal of the American supervision was out of the question; but Stimson managed to obtain $200,000 presumably from monies available to the executive branch to pay part of the electoral expenses, and advised Moncada to pay the remainder. It was found possible to obtain a staff of 371 men from United States military and naval forces which were available; and Nicaraguan citizens served as chairmen in 247 of the 429 local electoral boards. Despite the difficulties encountered, the elections were held in a manner which brought forth expressions of approval from both parties and from the press. Sacasa was elected president by a substantial majority.33

The acceptance of Stimson's conditions by Moncada on May 12, 1927, led to actions on the part of the United States and Nicaragua to carry out the pacification of Nicaragua. On the part of the United States, in order to carry out the disarming of the government and revolutionary forces, the following notice was given wide publicity throughout the Republic on May 11:34


The Government of the United States, having accepted the request of the Government of Nicaragua to supervise the election in the latter country in 1928, believes a general disarmament of the country necessary for the proper and successful conduct of such election and has directed me to accept the custody of the arms and ammunition of those willing to place them in my custody, including the arms and ammunition of the forces of the Government, and to disarm forcibly those who do not peaceably deliver their arms.

The Government of Nicaragua has expressed its willingness to deliver the arms under its control and I have directed that such arms of the Government be accepted for custody in the same proportion that arms are delivered by the forces opposing the Government.

The Nicaraguan Government has granted general amnesty to all political and armed opponents. To facilitate the return to peaceful occupations of those who have heretofore opposed it that Government will pay 10 cordobas to each and every individual delivering a serviceable rifle or machine gun to the custody of the United States forces. Amnesty and protection are assured to such individuals by the Nicaraguan Government and by the forces under my command.

To avoid the regrettable and useless shedding of blood all individuals and leaders of groups, now having in their possession or in hiding serviceable rifles, machine guns or ammunition or who know of the location of such munitions as may be hidden, should immediately deliver them to the custody of the nearest detachment of the American forces. Upon such delivery payment of 10 Cordobas will be made, in the presence of a Commission of United States officers, for each serviceable rifle or machine gun so delivered . . . .

J. L. Latimer
Rear Admiral, U. S. Navy
Commander Special Service Squadron
Commanding United States Forces
in Nicaragua
By May 16, 6,200 rifles, 272 machine guns, and 5,000,000 rounds of ammunition had been handed over to United States forces.35 Before the end of the month, the figure had risen to 11,600 rifles, 303 machine guns, and 5,500,000 rounds of ammunition.36 Moreover, the United States government had designated a lieutenant colonel of marines as Chief of the Guardia Nacional on May 12, 1927; and the first detachment of the new force consisting of seventy-eight men under the leadership of five United States officers entered upon active duty on August 3.

On the Nicaraguan side a numerically small but militarily active opposition to the Stimson settlement was equally quick to declare itself. For example, one of Moncada's lieutenants, General Augusto Sandino, who allegedly had served an apprenticeship in guerrilla warfare in Mexico,37 declined or omitted to sign the telegram accepting Stimson's terms on May 12, and marched off with his followers, probably less than 200 strong, in the direction of the Honduran border.


36 Ibid., May 28, 1927.

37 United States, Department of State, Press Release, April 17, 1931.
From that moment on, the fighting in Nicaragua changed its character. Until then it had been a civil war between Liberals and Conservatives, a war that conceivably the Liberals might have won if it had not been for the presence of United States troops and the intercession of Stimson. Sandino parted company with Moncada, not in order to carry on the civil war, which was no longer possible since both sides were surrendering their arms simultaneously, but in order to fight the United States marines and the new American-trained Nicaraguan constabulary. Therefore, although the marines had been most instrumental during the period December 23, 1926 to May 12, 1927 in preventing a final clash between the Liberal and government forces and so enabled Stimson to conclude a final settlement, they now faced a new enemy who was to vex their operations until their final withdrawal in January, 1933.

On May 13, the very day on which Moncada's army began the delivery of its arms and on which Sandino broke away, a marine patrol was fired on at El Paso. On the following day there were three attacks upon detachments of marines at three different places. On May 16, a band of 300 Nicaraguans attacked the town of La Paz, which the
The marines were occupying, and in driving them out, the marines lost two killed. On July 12, the commander of the marine force in Nicaragua sent an ultimatum to Sandino requiring him to surrender his arms at El Ocotal by two o'clock on the morning of July 14. Two days later Sandino returned a defiant answer, and on the very same day the thirty-nine marines and forty-seven Nicaraguan national guards at El Ocotal were themselves attacked by about 400 of Sandino's men. The attackers were beaten off with the help of air support and were believed to have suffered heavy losses. Press reports reaching the United States a few days later shocked those who were led to believe that the fighting in Nicaragua was over. When questioned by William Green, president of the American Federation of Labor, as to the facts in the case, Kellogg replied that the action was due to Sandino whose activities could not be considered to have any political significance whatsoever, and though it was reported that the forces of Sandino were wholeheartedly supported by the Nicaraguan Federation of Labor, they were in fact nothing more than common outlaws.

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Overnight, Sandino became well known at home and abroad, and just as rapidly, the United States government blundered by attempting to brand him as a bandit and a communist. Sandino maintained from the beginning that his purpose was to rid Nicaragua of the Americans. As early as May 12, 1927, the day Stimson received the telegram from Moncada and eleven of his generals acknowledging acceptance of the peace terms, Sandino issued a resolution in defiance of the Espino Negro conference, saying: "I will die with the few that follow me because it is preferable to die as rebels by fire and sword than to live as slaves." 40 He became convinced after the Tipitapa conference that the "American people approve and will always approve of politics of expansion of their immoral governments." 41 Sandino claimed to be a Nicaraguan patriot, seeking to rid his country of the North American invaders. This self-assigned role was eventually widely accepted in Latin America and also by


some individuals in the United States who in the view of the Department of State should have known better.\textsuperscript{42} Sandino had a two-sided reputation. To his admirers and followers he was the symbol of opposition to the North American invaders. He represented the hostile feelings that had been expressed over the past two decades in literary circles all over Latin America and parts of Europe sympathetic to Latin Americans, and among anti-imperialists of the United States. Those writers who had long identified the actions of the United States as a struggle to gain suzerainty over the economic and political affairs of the Latin American nations now had their symbol, and proceeded to idolize him. Sandino had only a very small following in Nicaragua,\textsuperscript{43} but he was a hero in the eyes of some Latin Americans and of the anti-imperialists in the United States.\textsuperscript{44} The press, both in the United States and in Latin America, gave his activities an importance which

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\textsuperscript{42}United States, Department of State, Press Release, April 17, 1931.
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\textsuperscript{43}Rafael de Nogales y Mendez, The Looting of Nicaragua (New York: Robert M. McBride, 1928), p. 42, believed that Sandino was backed by the sympathies of 90 per cent of the people, as do most pro-Sandino writers.
\end{flushright}

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may have surprised him, and he capitalized on the free
press of the world to carry on his political war against
the United States.\footnote{Willard L. Beaulac, Career Ambassador (New
York: Macmillan, 1951), p. 113.} The encouragement which he received
from anti-American propagandists in other countries and
from anti-imperialist writers in the United States did
much to prolong his futile and destructive campaign.\footnote{Dana G. Munro, "The Establishment of Peace in
Nicaragua," \textit{Foreign Affairs} (July, 1933), p. 699.}

Much of the support that he received had roots in world
communism which led many to believe that his actions were
part and parcel of the world-wide movement; but in spite
of attempts of the Communist party to identify him with
their cause, they were ultimately unable to capture him
completely. However, coincidence hardly accounts for the
naming of a "Sandino Division" in the Russian-advised
Nanking Army during the Chinese Civil War or for the
support provided by prominent foreign writers on the left
such as Henri Barbusse and Romain Rolland. "Henry
Barbusse, author of \textit{Le Feu}, called Sandino 'Le George
Washington de l'Amerique Centrale.'"\footnote{Morison, p. 926.} There was also
support provided by fund-raising drives in Lower Manhattan which amassed contributions to buy arms with which Sandino terrorized his fellow countrymen and killed United States marines, and by Carleton Beals's grossly partisan articles for the New York Nation, "edited by pacifist Oswald Garrison Vilard," and captioned in the camp of enemies of United States troops. All of this support came under the much abused heading of liberalism.

Then there were those who looked on Sandino in a less friendly and sympathetic light. In the Department of State's view, Sandino deliberately undertook a program for the destruction of American and other foreign lives and property and the lives and property of Nicaraguans as well, not in open warfare but by the stealthy and ruthless tactics which characterized the savages who fell upon American settlers in our country 150 years ago. For these Americans who have been killed in Nicaragua during the past few days were first taken prisoner and then slaughtered.

According to Major Dan I. Sultan--Lieutenant General in World War II--in command of an engineer unit surveying a

48 Ibid.
49 Ibid.
50 United States, Department of State, Press Release, April 17, 1931.
canal route, Sandino

poses as the George Washington of Nicaragua, but he is only a cutthroat and a bandit, preying upon foreigners, and the law-abiding citizens of his country. His bands terrorize the country, carry on a desultory warfare against the Marines and the Guardia, and exact tribute from all friends or foes, who have anything they want.51

A fellow countryman, Dr. Carlos Cuadra Pasos, at Panama en route to the Pan American Conference at Havana, remarked that "Sandino is not identified with any political party. He does not represent the opinion of any group of people, but is only a bandit whose business is robbery and murder."52 Attempts were also made to identify Sandino as a "modern style guerrilla demagogue, internationally supported, schooled and fostered by the Communist-oriented Mexican left" as "waging a ruthless politico-military campaign by methods which demonstrably owed much to Lenin's sharp precepts on the techniques of revolution."53 A quick look at the relationship between


Sandino and the Communist movement at this point seems necessary for a proper appraisal of his actions.

Born in 1895 and a trouble-maker from school days, Sandino escaped justice for murder and lived for several years in Mexico where he was reported to have made useful contacts with communists and other left-wing elements. Inspired by the social upheaval taking place in Mexico, Sandino returned to Nicaragua to rid the country of the Yankee imperialists. The Communist party played him up as a hero of liberation and not only collected arms and money for him but fooled gullible liberals in the United States and Europe into supporting Sandino as the savior of his country. Meeting in Moscow in 1928, the Sixth Congress of the Communist International unanimously adopted a resolution proposed by the Communist parties of the United States and Mexico to send a vote of confidence to General Sandino. The telegram read as follows:54

The VI World Congress of the Communist International sends fraternal greetings to the workers and peasants of Nicaragua, and the heroic army of national emancipation of General Sandino, which is carrying on a brave determined struggle against the imperialism of the United States.

American imperialism is becoming ever more aggressive and subjugating the Latin American

54International Press Correspondence, September, 1928, p. 1,011.
Republics with the might of its capital and its armed forces, and wishes to convert them into its economic Hinterland.

The struggle for the freeing of the Central American Republics from the yoke of imperialistic capitalism is the cause of all the oppressed peoples, of all the exploited workers and peasants of the world. In the front ranks of this struggle against the imperialism of the United States must stand the workers of the United States and the workers and toiling peasants of the Latin American Republics.

The VI World Congress of the Communist International calls upon the Communist Parties, all working class organizations and the entire proletariat of all countries to support the struggle for emancipation of the workers and peasants of Nicaragua.

Down with the robber imperialism of the United States.

Hands off Nicaragua.

Long live the common struggle of the Communist Parties of the Latin American countries and the United States of America against the common enemy—American imperialism.

Down with the imperialist war—long live international solidarity.

Signed: Communist Party of Mexico, Workers' Party of America

The Communists made every attempt to "capture" Sandino and to use his movement to suit their cause and as long as he continued to fight the United States, he served their purpose admirably. They organized a committee known as the Hands Off Nicaragua Committee—generally known by its Spanish initials as "Mafuenic"—
to collect funds, and made it appear that only they were authorized by Sandino to carry on the drive, by discrediting all other attempts. The Communists ultimately collected a paltry $1,000, of which Sandino received nothing.\textsuperscript{55} The Communists attempted to use Sandino's brother, Socrates, by having him travel around Mexico and neighboring countries giving the impression that the Communists alone supported Sandino. Eventually Sandino became disenchanted with the Communist party, and beginning in April, 1930, he was to have no further correspondence with them. A real split, however, came in January, 1933 when United States troops were withdrawn and Sandino failed to continue his war of national liberation by making peace with the new Sacasa government. No longer interested in Sandino, the Communist party then accused him of betraying the proletariat and the independence movement and urged the workers to unite behind the Communist party which alone "can head the anti-imperialists and agrarian revolution of the workers and peasants and lead it to victory."\textsuperscript{56}


\textsuperscript{56}International Press Correspondence, April 13, 1933, p. 375. See Appendix.
Communist or not, Sandino continued to plague the efforts of the marines to bring peace to Nicaragua. The battle of El Ocotal on July 16, 1927, was but the first of many encounters that characterized the long, drawn-out campaign on the part of the United States to carry out its obligations in Nicaragua. One need only to turn to the official United States documents for a day to day account of the fighting to realize the nature of the conflict; but of more concern in a study of United States Nicaraguan relations are the manner and the method in which the United States carried out its obligation as part of the Tipitapa Agreement, in spite of the obstacle.

It was considered essential, by Stimson, that a marine force of adequate size be retained in Nicaragua until such time as a nonpolitical constabulary could be organized and trained. The creation of such a force would maintain peace between the two traditional warring factions and thus allow the evolution of peaceful elections so necessary to the growth and maturity of the country. Until such time, it was the responsibility

\footnote{United States, Department of Navy, \textit{Annual Reports}, 1927-1933.}
of the marines to maintain the peace, assist in the supervision of elections, and do all it could to hasten the growth of the guard.

An agreement for the establishment and maintenance of the Guardia was drawn up at Managua on December 22, 1927, and mutually agreed upon by the American Charge, Dana G. Munro, and the Nicaraguan Minister of Foreign Affairs. It was not until February 19, 1929, and after several amendments to the original proposal that the agreement was finally accepted by both houses of the Nicaraguan Congress and signed by Moncada. Although the original strength of the guard had been determined based on the fact that there would be peace following the Tipitapa Agreement, the seriousness of the Sandino situation brought about, over a period of three years, an increase in strength by eighty-five per cent. It also brought about an increase in marine strength from 2,700 to 5,200, but the additional marines were used in connection with the 1928 election, as mentioned previously. As the guard developed into a fighting force and took over the patrolling of the outer provinces, the marines were withdrawn, so that by June, 1930, they

numbered only 1,248. Beginning in July, 1930, additional forces were sent to Nicaragua to assist in the supervision of the elections of that year, bringing the total in November, 1930 to 1,763.59

On February 13, 1931, the Department of State announced its intention of withdrawing from Nicaragua all of the Marine Brigade who are now on combatant duty probably by June next, leaving in Nicaragua only the marines who are still engaged in instruction in the Nicaraguan National Guard and an instruction battalion to support such instruction and an aviation section which is being used for the present to carry supplies in the bandit provinces which are entirely without roads.60

At the same time, it was announced that the step contemplated, together with an increase in the Guardia Nacional and a road construction program in the Department of Nueva Segovia, would pave "the way for the ultimate removal of all the Marine force from Nicaragua immediately after the election of 1932."61


61 Ibid.
At this point, the policy of the United States seemed to be to leave the trouble to be dealt with by the Nicaraguan Guardia Nacional. The policy was not changed, when in the second week in April, 1931, there was a sudden renewal of the fighting on the east coast. Taking advantage of a catastrophic earthquake that had all but destroyed Managua in March, 1931 and which had tied up all available military forces, both marine and guard personnel, Sandino's forces sacked the town of Cabo Gracias a Dios. Marines were landed to assist the guard to protect United States citizens—nine Americans lost their lives before the marines arrived—but Stimson prevented their going into the interior since "the problem of defense" would have to be "worked out by the Guardia itself." In accordance with this decision, Stimson sent to the American Legation at Managua and the American Vice Consul at Bluefields the following message:

In view of the outbreak of banditry in portions of Nicaragua hitherto free from such violence, you will advise American citizens that this Government can not undertake general

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63 United States, Department of State, Press Release, April 17, 1931.
protection of Americans throughout that country with American forces. To do so would lead to difficulties and commitments which this Government does not propose to undertake. Therefore, the Department recommends to all Americans who do not feel secure under the protection afforded them by the Nicaraguan Government through the Nicaraguan National Guard to withdraw from the country, or at least to the coast towns whence they can be protected or evacuated in case of necessity. Those who do remain do so at their own risk and must not expect American forces to be sent inland to their aid.

Stimson later remarked that the bluntness was necessary for "the American interests on the east coast have got to be so that they feel that they have a right to call for troops whenever any danger apprehends. In that way they are a pampered lot of people . . . ."64 In response to both criticism and praise heaped on him by members of Congress and the press,65 Stimson explained that there had been "no change in the determination of the United States not to send American troops into the interior" of Nicaragua. The problem in 1926, when the United States intervened in Nicaraguan affairs, was one of


protecting American citizens and property from a war. The situation in 1931, on the other hand, was one of dealing with "murder and assassination" by small groups of "confessed outlaws." Nicaragua now had a constabulary, organized and trained by the United States, to cope with the outlaw problem, and it was the "right and duty of that government to solve."66

It is interesting to note that following Stimson's announcement, a survey of the press was made by the Foreign Policy Association, and seventy-six leading newspapers, including the Scripps-Howard and the Gannett chains, comprising forty papers, supported the policy, whereas forty-four papers, including the Hearst chain of twenty-three papers, attacked the policy.67

The program of withdrawal laid out by Stimson was duly carried out when the last contingent of marines left Nicaragua after the inauguration of President Sacasa in January, 1933. It was a job well done.

66 United States, Department of State, Press Release, April 13, 1931.

CHAPTER VI

CONCLUSION

United States relations with Nicaragua during the period 1920-1932 have been the subject of much criticism, much of it unjustified because of the emphasis placed on the role of dollar diplomacy. There were those, and there are still many today, who wished to see something that was not fact and consequently have twisted the facts to a point where a proper appraisal is difficult. In order to learn from the past—and there is much to be learned from the period under consideration—one must recognize the motives of the United States for what they were and not color the situation to suit one's point of view. At any rate, in an attempt to be objective and impartial, the following conclusions are presented.

The relations between the United States and Nicaragua after 1920 mark an attempt on the part of the United States government to stabilize conditions in Nicaragua to the point where the United States could honorably withdraw from a task equally unpopular at home as it was abroad. Not desiring to see its efforts
of the previous decade wasted, the United States insisted upon two conditions prior to a withdrawal: first, that the financial stability of the country would be assured by a continuation of financial controls initiated during the previous decade; and second, that there must be a free, supervised election that would represent the will of the people to insure peace and stability in Nicaragua. When such conditions were finally met in 1925, the United States withdrew.

Very reluctantly, the United States considered intervention necessary again in 1926 when it became apparent that Mexico, with whom the United States was having troubles, was siding with a revolutionary faction in its attempt to overthrow the legally chosen provisional government. The attempt of the Department of State to justify its actions in Nicaragua as necessary to stop the spread of Bolshevism in Central America, rather than as a continuation of its previous policy, led to such an uproar at home that it was considered essential to bring peace in Nicaragua immediately. Hence, the Stimson mission was initiated which ultimately resulted in negotiations leading again to free elections. Then when it appeared that stability had been restored again, Sandino came forward as the
saviour to free his country from the "imperialistic" United States. Though unable to accomplish anything other than unrest and disorder, Sandino did serve to epitomize all the feelings against the United States that had been building up for all the years since the Spanish American War. Therein lies his real significance. Whereas the United States had slowly considered since 1920 a change in policy, it now came about, it seems, overnight.

Although the United States did not withdraw fully from Nicaragua until after the inauguration of President Sacasa in January, 1933, the events of the years 1926-1927 in Nicaragua caused a change in policy towards the Latin American republics that not only saw the United States anxious to get out of Nicaragua, but to change its image in Latin America. The change was felt in four ways. In the first place, the United States in 1931 stopped championing the cause of American citizens abroad which had been used as the excuse for many interventions. The decision of Stimson in April, 1931 to refuse to send troops into the interior of Nicaragua to chase bandits meant that he was leaving it up to Nicaragua to solve its own problems. The tendency to intervene was on the wane. In the second
place, the United States relaxed its political control over countries and allowed them to elect whomever they chose, whether desirable or not to the United States. The fact that two Liberals, Moncada and Sacasa, were elected president in two successive elections, 1928 and 1932, and were duly recognized by the United States, shows a considerable relaxation in the policy that started with the rejection of Zelaya and his followers. In the third place, the United States, in an attempt to avoid interventions in the affairs of the Latin American republics, reverted to a policy of de facto recognition in all the countries except the five republics of Central America where Washington continued to follow the principles of the 1907 and 1923 treaties of de jure recognition. In 1934, in accordance with the desires of the five republics, the de facto principle was made all encompassing. In the fourth place, the Department of State publicly repudiated the Roosevelt Corollary to the Monroe Doctrine by publishing the Clark Memorandum in March, 1930. No longer would the United States intervene under the aegis of the Monroe Doctrine to be accused of transforming the Monroe Doctrine from an instrument of national self-protection into an instrument of economic imperialism.
The Nicaraguan experience appears to have been the principal agent in creating the remarkable transformation of the policy. The stage was now set for the Good Neighbor Policy.
In face of the growing revolutionary upsurge of the toiling masses in all the imperialist and colonial countries against the offensive of the capitalists and their supporters, the native bourgeoisie and landlords, the betrayal of Sandino is a tremendous lesson to all revolutionary fighters in the anti-imperialist struggle.

The growing misery of the toiling masses of Nicaragua as a result of the agrarian crisis, the lowering of the price of coffee (Nicaraguan economy depends almost entirely on coffee which is 60 per cent of its export trade), increased the hatred against Yankee imperialism. A wave of anti-imperialist feeling was also spread among the city poor petty-bourgeoisie against the Bryan-Chamorro treaty which grants the U.S.A. exclusive rights to build a trans-isthmian canal. The Liberal Party faction, led by the present President Sacasa, made use of the anti-imperialist feeling among the masses at that time in the struggle against their rival faction of the Conservative Party, then led by the Chamorro clique. It was during this time of growing revolutionary ferment among the toiling masses of Nicaragua and readiness for struggle, that Sandino emerged as the leader of the armed struggle. The Army of Liberation fought heroically against the murderous invasion of Yankee imperialism since 1927 and its native tools--the Nicaraguan bourgeoisie and landlords.

Yankee imperialism rushed its marine forces, all modern warfare, in all according to official figures 50 various types of aircraft and 5,000 men to

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1International Press Correspondence, April 13, 1933, p. 376.
Nicaragua to "protect" lives and property against "bandits." Despite all these modern equipment their attempts proved futile against the primitive armed forces of the Army of Liberation. By order of the U. S. State Department, the United States Marine Corps stationed at Nicaragua was to enlist natives for "hazardous" work. Later these natives formed into a Yankee officered and supervised Guardia Nacional, numbering today according to official figures 3,000 men. A miniature West Point was also organised to train Nicaraguan officers, not out of the Guardia Nacional but mainly from among the rich sons. Even while this was taking place several mutinies and desertions were reported from among the Guardia Nacional to the Army of Liberation.

The vacillating character of Sandino was expressed many times in his attitude to compromise with Yankee imperialism if the marines are withdrawn, in ignoring the fact that the Guardia Nacional was being built as a Wall Street weapon, in his readiness to accept the Yankee "concession" for the Nicaraguan canal, his failure to repudiate the bourgeois politician, Dr. Pedro Jose Zepeda, Sandino's representative in Mexico, who has repeatedly offered peace to Yankee imperialism, denouncing the workers and peasants. At the same time Sandino issued numerous statements and letters which were imbued with the spirit of the Army of Liberation.

As the election for 1932 was nearing, Sandino issued the following statement:—

"It is useless for them (U.S.A. marines) to remain to sponsor elections, as candidates elected in marine supervised elections would be overthrown and chased out of the country." In the Honduras press, another declaration of Sandino stated: "Nicaragua will be freed only by the bullets and blood of our people. We will oppose by force of arms whatever election farce may be attempted with the aid of foreign supervision."

The Communists anticipated these vacillations and pointed out to the masses that these hesitations flow inevitably out of the petty-bourgeois character of Sandino and that only the working class, led by the
Communist Party, can head the anti-imperialist and agrarian revolution of the workers and peasants and lead it to victory.

In exposing Sandino's vacillations we must point out to the toiling masses the insufficiency of Sandino's programme for the workers and peasants in the past, which was already pointed out by the Communists, showing that he was not fighting for the expropriation of the imperialist enterprises (without which the power of imperialism in Nicaragua cannot be destroyed) and the feudal estates for the toiling masses; that he had no programme for a radical improvement of the conditions of the workers.

The November 6th, 1932, elections took place under the direct control of Yankee imperialist rule. Admiral Woodward and his commission was in charge while the whole country was declared months ago under a state of siege (martial law). The faithful servant of Yankee imperialism, Dr. Juan B. Sacasa, former Nicaraguan ambassador at Washington, was "legally" elected as President of Nicaragua. Immediately following the elections, President Sacasa prolonged the state of siege indefinitely for the entire republic, with the exception of four South-Western provinces.

Meanwhile it was reported from Northern Nicaragua, Segovias, that Sandino was driving out an insurgent chief for rebel activities against the wishes of the Generalissimo. This news was accompanied with a desire by Sandino for "peace" with Sacasa. The government immediately carried on negotiations with Sandino, although it was not reported officially. He admitted the government delegation to his camp with open arms and saluted it by firing cannons.

The President opened up a campaign of white terror against the revolutionary elements within the Partido Trabajador Nicaraguense, arresting 13 Communists in Managua. In spite of a state of siege in all other parts of the country, the struggle of the rank and file of the Army of Liberation went on and still continues.
On the arrival of Sandino at Managua he stated:

"We are free and independent, let the Americans come here and work, we will have no more war."

With this statement the chief caudillo has gone over to the camp of the Nicaraguan bourgeoisie and landlords, the servants of imperialism. With Sandino's help the Yankee imperialist bandits will now be free to continue with the exploitation of the toiling masses. Sandino also declared that:

"In case some unforeseen objection is raised by my soldiers situated far from central control, and they continue the rebellion, I have placed myself at the orders of President Sacasa and will aid him in forcing them to follow my example."

This statement was immediately acted upon with the execution of two of his lieutenants, Colonel Juan Altamirano and Captain Francisco Olivares at San Rafael del Norte.

The "peace-pact" with Sacasa is the most brazen betrayal to the interests of the toiling masses in Nicaragua. Sacasa agreed to incorporate 100 men of the Army of Liberation in the Guardia Nacional to be used for the northern region, previously the battle front of the Army of Liberation. The remainder of the Army of Liberation has been ordered to surrender their arms or be executed. The President also declared that rank and file of the Army of Liberation will receive grants of land in exchange for surrendering arms "peacefully." These declarations of the President and of the treacherous Sandino mean the disarming and enslavement of the heroic revolutionary fighters against Yankee imperialism. But in spite of all these declarations reports arrive of the constant armed struggle of the rank and file of the Army of Liberation, still being waged against the bourgeois landlords and their master, Yankee imperialism.

Sandino's treachery confirms the repeated assertions of the Communists, anticipating the vacillating and compromising character of the petty-bourgeois leadership in mass revolutionary movements, which inevitably lead to betrayal. The Nicaraguan
workers are the first ones to learn from the experiences of Sandino's treacherous leadership, the foremost lesson of which is the crystallisation of Communist groups which are forging ahead the building of the Communist Party, the only leader of the anti-imperialist and agrarian revolution in Nicaragua.
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