**"Un Gobierno no puede dejarse morir de inanición"[1]**

**Sovereignty and Sovereign Debt in the Dominican Republic, 1892-1905**

Cyrus Veeser
Department of History
Bentley University, Waltham, Massachusetts, EE.UU.

The sudden independence of Latin America in the mid-1820s fed the first great international lending boom, reminding us that sovereignty was the *sine qua non* of overseas portfolio investment. Sovereignty, however, was a double-edged sword, both the bedrock of creditworthiness and an obstacle to the enforcement of the property rights. Lenders to Latin America faced what economic historians call the "commitment problem," which in the words of Stephen Haber means that "any government strong enough to define and arbitrate property rights is also strong enough to abrogate them for its own benefit." Haber's point recalls the argument of the leading Latin American expert on state debts in the early 20th century, Luís Drago, that because sovereignty made Latin American states equal to European states, "not only does there not exist a tribunal competent to bring action against the debtor states, but it is impossible even hypothetically to conceive of such a tribunal."

The problematic sovereign debt of the Dominican Republic in the late 19th century gives us one example of how sovereignty cut at least two ways. In the 1890s we encounter a small nation entangled with a marginal but politically connected Wall Street firm catapulting a modest foreign debt into a significant international crisis over the enforcement of the bondholders' property rights. The struggle among the various stakeholders—the Dominican government, the State Department, the Wall Street corporation that owned the Dominican debt, the Corporation of Foreign Bondholders in London, and several European foreign ministries—triggered an aggressive new U.S. foreign policy for Latin America, what became known as the Roosevelt Corollary to the Monroe Doctrine, and led to American supervision of Dominican finances that would last until 1940.

Because the Dominican case is decidedly *sui generis*, it cannot really serve as a model or paradigm for this conference. What may be useful for this group is the rich narrative record of the Dominican government's finances that emerges from letters exchanged between the Dominican president and his financial enablers on Wall Street and in Europe.  The paper trail left by those actors allows us to understand the political economy of foreign borrowing in almost intimate terms.  In the process it shows the many meanings of sovereignty in the context of international finance.

Personal is the operative word here, because the presidency of Ulises Heureaux from 1882 to 1899 was in fact a dictatorship that brooked no manner of power sharing.  Dominican archives reveal an almost complete absence of institutional integrity under Heureuax.  The Dominican congress did not dare to oppose the president, who had no compunction about arresting, exiling or executing his political enemies.

Within the Dominican context, then, president Ulises Heureaux is a nearly autonomous actor with few home-grown checks and balances.   The only national "institutions" he respects are the local merchants and sugar planters who lend him money.  Heureaux does of course interact with functioning institutions outside his nation, including foreign governments and bondholders' committees.  In his correspondence and meetings with agents of those institutions, Heureaux is properly deferential, eager to show that he rules over an outpost of European civilization in the Caribbean.  Aware of the impression that his skin color makes on foreign visitors—the New York lawyers who go to Santo Domingo in 1892 describe him as "a coal-black negro"—he takes pains to convince them that he is worthy of their full trust and confidence.

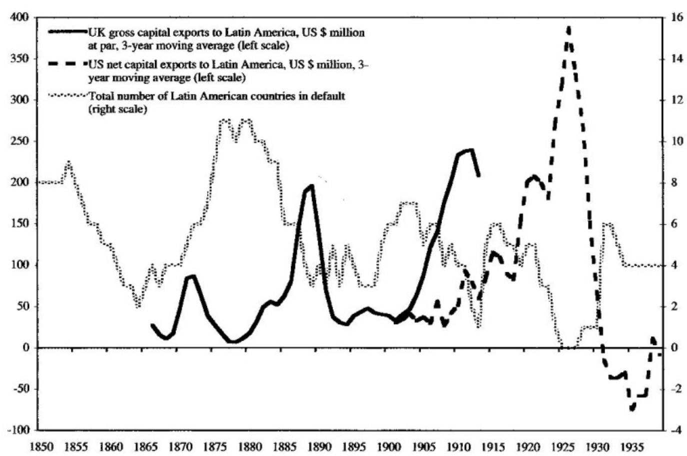
Foreign bank officials, the kind described by Peter James Hudson in *Bankers and Empire*, do not figure among the representatives of civilization that Heureaux encounters.  The agents that sell Dominican bonds in European markets are not reputable institutions, but rather ephemeral "combinations," pulled together ad hoc to launch increasingly dubious bond issues.   From 1892 to 1899 the sovereign debt of the country balloons from about 5 million U.S. dollars to nearly 40 million.  Each flotation in Europe nets the Caribbean nation a smaller and smaller percentage of the nominal value of the bonds.

All of which is to say that to take useful lessons away from the Dominican case we will need to look beyond its particulars to some of the deeper tendencies it embodies. These include the several meanings of sovereignty hidden within the notion of sovereign debt, the fusion of financial and political objectives by a Latin American ruler, the weight of personalism within nominally institutionalized structures, and the triggers for international financial supervision, whether by private actors of foreign governments.

Before the 1890s the pattern of Dominican foreign borrowing was consistent with larger trends in Latin American finance, as described by Carlos Marichal and others.  That is to say Dominicans borrowed in Europe through a bond issue, defaulted on their loan, then passed through a period of financial quarantine before finally agreeing to convert and redeem the outstanding debt with a new loan, thus winning admission to the club of chastened borrowers.

The following graph, borrowed with thanks from Alan Taylor, shows two boom periods of foreign lending to Latin America after independence and before 1900, the late 1860s to early 1870s, followed a collapse, then again in the 1880s.[2]  Those are precisely the two periods during which the

**Figure 2**
**Boom and Bust Cycles in Latin America, 1850–1940**

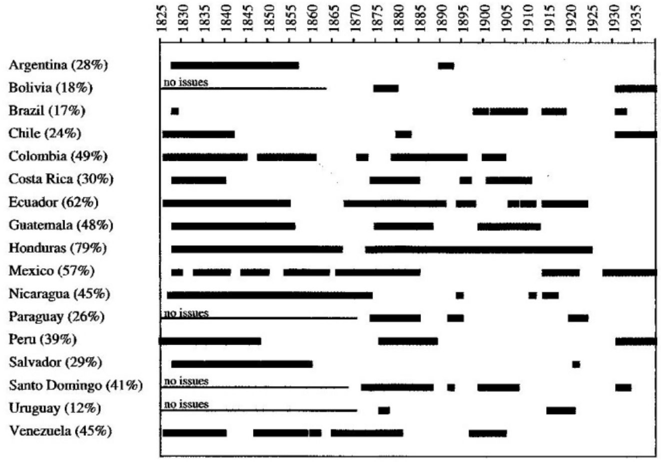



*Sources*: Following Suter (1994); default data from Tomz (2001); U.K. flows from Stone (1999); U.S. flows from Stallings (1987).

Dominican Republic issued sovereign debt, the first time through an English syndicate in what was known as the Hartmont Loan of 1869, on which the country defaulted almost immediately.  The second set of foreign loans was engineered by the Dutch firm Westendorp in 1888 and 1890.

As the following table (also borrowed from Alan Taylor) shows, the Dominican Republic—here called Santo Domingo—was not too much of an outlier as far as default on its sovereign debt was concerned.

**Figure 1**
**Sovereign Default in Latin America, 1825–1940**




*Notes*: Fraction of years in default shown in parentheses.
*Sources*: Default data from Tomz (2001), issue dates from Marichal (1989).

The DR started its foreign borrowing later than many other Latin American countries but otherwise largely followed suit, spending roughly 41% of the period from 1825 to 1940 in default on its sovereign loans.

We pick up the story in the 1890s. The collapse of Baring Brothers in 1890 fed another panic in Latin American securities, and the Dutch syndicate holding the Dominican foreign debt began to look for a potential buyer. A politically connected New Yorker, blessed with the reassuring name Smith M. Weed, learned from his cronies in Washington that the U.S. government wished to have Americans rather than Europeans hold the Dominican debt. Weed reached an agreement with Westendorp in 1892 to buy the Dominican debt and the partially completed Dominican Central Railway.

At first, Dominican president Ulises Heureaux tried to stop the sale. After the New Yorkers visited Santo Domingo in early 1893 he changed his mind, however, and forced the Dominican congress to approve the American company's contracts. Thus began an intense relationship between Heureaux and Weed's firm, erroneously named the San Domingo Improvement Company, that would only end with Heureaux's assassination on July 26, 1899.

Heureaux, universally known as Lilís in the Dominican Republic, remains a legendary figure in that country, celebrated in bars and colmados as a shrewd but amoral leader, very much in the mold of what Dominicans call a *tiguere*. The correspondence between Lilís and the foreign officials and fiscal agents he tried to manipulate confirms that he was a cunning, unscrupulous, but fatally short-sighted leader.

Cash was the lifeblood of Heureaux's dictatorship.  Like many other tyrants he understood that bribery was less controversial than murder. He needed revenue for the public payroll, especially the police and armed forces, to maintain order in the republic. "Only God created out of the void," Lilís wrote. "As a mere man, I must start with something. I need some particle that will help me build something greater."[3]

Beyond staying in office, Lilís favored modernizing Dominican society by moving a largely self-sufficient peasantry toward cash-crop, export agriculture. Not surprisingly, he pointed to material progress, rather than repression, to justify the importation of capital. Any project, the president declared, that "helps bring new capital into the country, to develop our industries and to increase our production and our commerce, deserves my staunch support."[4] To that end he pushed the completion of the country's second railroad, adoption of the gold standard, and changes in the agrarian law to favor planters over herdsmen.

Both foreign and local capital was essential to Heureaux's system, and each had advantages and disadvantages. Borrowing at home and overseas were symbiotic, not mutually exclusive, processes. Lilís borrowed large sums from local sugar planters and merchants, many of whom held foreign nationality. Given the perpetual shortfall in government revenue, these men often paid the regime's day-to-day expenses based on short-term loans. The loans could be arranged quickly and informally, with little paperwork and without congressional approval.

On the negative side, lenders on the ground could instantly shut off funds to pressure Heureaux. In 1894 the wealthy merchant Cosme Battle suspended payment on government notes, causing a "noticeable slowdown in the government administration."[5] Local lenders also found clever ways to collect their money, such as *apartados*, which were special taxes pledged to individual merchants, and *concesiones*, letters from the president exonerating merchants and planters from import and export taxes that could be presented to officials in the nation's custom houses. In his letters to these wealthy men, Heureaux often pleads for patience and forbearance but never threatens or intimidates them.

Given the power of local lenders, foreign borrowing was in many ways more attractive to Heureaux. Interest rates were lower, at least on paper, and the sums available were nominally larger. Moreover, collecting on international debts was a slow process, even in an age when the Great Powers stood ready to send in gunboats for their "moral effect" on delinquent Latin American debtors. In the day-to-day struggle for financial survival that characterized the Heureaux years, the dictator could easily see foreign lenders as impotent absentees.

The operation of the foreign bond market also favored Heureaux. Securities for developing nations issued in London, Paris, Brussels, Amsterdam and other capital markets attracted some of the least scrupulous financiers on the continent. As Carlos Marichal confirms, "the issue of external bonds was as easy as printing money."[6]

Sovereignty was the hook that drew buyers to Latin American securities. As Leland Jenks observed nearly a century ago, "any government which claimed sovereignty over a bit of the earth's surface . . . could find . . . purchasers for her bonds."[7] Heureaux argued that national independence gave bondholders an ironclad guarantee. "In any case the government," he explained to the Improvement Company, "even if only because it will persist through time, must be more solvent and offer greater guarantees than a private individual."[8] In his view of sovereignty as a form of collateral Heureaux coincided with Luis Drago, the leading Latin American expert on state debts, who argued that the holders of defaulted sovereign debt were better off than shareholders in a bankrupt company: "the holder of the bonds has a very great advantage over the shareholder, because the state does not disappear and sooner or later regains its solvency, while the bankrupt company disappears forever."[9]

Heureaux further understood that sovereignty implied, not merely the *de jure* independence of a nation, but also its *de facto* unity, its unchallenged control by a secure government and single executive. Revolutions were a chronic condition in Latin America, and while international law did not permit a new government to disavow the debts of its predecessors, it was certainly true that frequent, extra-constitutional regime changes made it harder for governments to pay their debts, whether national or foreign. Theodore Roosevelt would justify the U.S. customs receivership in the Dominican Republic precisely on the grounds that such revolutions were, underneath it all, a struggle over control of the fisc. Dominican customs houses were "the nuclei of revolution," Roosevelt posited; therefore control of those "nuclei" by American officials would put an end to the country's political upheavals.[10]

Even short of revolution, civil strife inside a country was sure to hurt that nation's creditworthiness in the eyes of potential bond purchasers in Europe. If, as David Landes argues, "the only limit on the issue of such bonds was the confidence of the public," a challenge to a nation's seated government also threatened the value of its sovereign debt.[11] This explains Heureaux's fanatical pursuit of the "pacification" of his country. For the dictator, repressing dissent and nipping rebellion in the bud was imperative not only for the obvious political reasons but also to keep up the confidence of the European public. As his American allies worked to convert defaulted bonds in a new issue of securities in 1894, Lilís told them: "I can assure you that I will redouble my efforts so that there is no alteration of the public order that would harm the confidence that peace gives to the holders of Dominican bonds."[12]

Even with its sovereignty uncontested, however, small nations like the Dominican Republic often fared badly in European capital markets. Loan agents made windfall profits at the expense of both the bondholders and the borrowers. "Unproductive borrowing," as Albert Fishlow has noted, "was . . . very profitable lending."[13] The Hartmont loan of 1869 stands out as an especially egregious example, with the Dominican government receiving only $250,000 of a loan for which it promised to repay a total of $7.5 million over 25 years. Nevertheless a House of Commons investigation of Latin American securities in the mid-1870s blamed the Dominicans, not the lenders, for this notably bad deal.

The fleecing of Latin American nations points to the fact that loan-making syndicates did not expect to make money from the gradual progress of export agriculture in Latin America, the region's basic source of wealth. Instead, the firms profited immediately from the spread between the nominal price of bonds and the insider price, as well as commissions and surcharges. The vice president of the San Domingo Improvement Company explained the logic candidly to the *New York Tribune* in 1901. "We never hoped when we went to Santo Domingo to realize anything from managing the finances of the country. Where we did hope to make our money was from the sale of the country's bonds which we took, some at 50 and some at

60 [percent of par value]. We hoped that, by a conservative management of the finances of the country, we could find a market for the bonds and realize a very satisfactory profit."[14]

Although this official refers to "conservative management of the finances of the country," the American company quickly gave up its role of watchdog for Dominican bondholders, instead aiding and abetting Heureaux in his pursuit of fresh infusions of foreign capital. The bondholders had been promised an ironclad guarantee in the company's control of Dominican custom houses, administered by the Caja General de Recaudación de Aduanas, known as the Regie.

In practice, the company never achieved control over the fisc. The Americans could not stop Heureaux from granting apartados and concesiones to local capitalists, which reduced the government's revenue even before it was collected. Heureaux also convinced company officials to allow him to appoint Regie officials, even though many of these appointees turned out to be dishonest. "In order to remove all motives of conspiration and as a convenience for the political interests of the Government," Heureaux told the Americans in his idiosyncratic English, "I was obliged to employ in the Custom-houses . . . some important persons that it would be impolitical to discharge." Heureaux blamed these appointees for tolerating "declarations of goods and provisions" that were "wholly false," but insisted that removing them from office would threaten his government. "We cannot escape in any way from the terrible misfortune which threatens us," Heureaux concluded, essentially telling the company not to expect the country's contribution to paying interest on the foreign debt to increase.

The Improvement Company never figured how to square the circle of Heureaux's control over the custom houses. For years Heureaux promised he was about to "reform" the customs administration, but that never happened. On paper, American capitalists had taken control of Dominican finances. Since Heureaux's machinations were secret, ordinary Dominicans had no idea that the dictator had effectively preserved his nation's sovereignty against foreign fiscal control.

This leads us to a somewhat heretical conclusion about the American capitalists. Dominican historiography has for decades painted the Wall Street firm's acquisition of the national debt as the advent of American financial imperialism in that nation, but Ulises Heureaux had a decidedly different view of the event. Once he had sized up the Americans, Heureaux embraced the new ties to both Washington and New York. As Heureaux explained in a candid, private letter, the vice president of the Improvement Company had always demonstrated "a willingness to assist me . . . in times of great need . . . he is always accessible and hard-working in helping me. Of course I know that in doing so he serves his own interests, but it would be unjustifiable to ask him to abandon those."[15] This was not mere rhetoric, and that is clear because Heureaux went to great lengths to convince the Improvement Company to buy the Banco Nacional de Santo Domingo from its French concession holder. If the American company's vice president "now finds himself mixed up in the business of the Bank, it is my doing. He has helped me by eliminating obstacles that earlier bank directors had put in our path, damaging our political and economic interests."[16]

As the investors and the dictator drew closer, Heureaux also gave up the fiction that there was a firewall between his personal assets and the fisc. When he sent money to New York for payment of interest on the bonds, he made clear to the Americans that it was *his* money, turned over to them at great personal sacrifice. "I am always most perfectly wil[l]ing to help even with prejudice to my own interest, I have come to the end of my resources and it is impossible for me to do more . . . . I repeat to you that this is really the last time that I can be of any material help to you."[17]

After the deeply discounted Dominican bonds went into default in 1897, it seemed that time was running out for Heureaux and his American enablers. An unusual note of pessimism enters into the dictator's correspondence. Dominican sovereignty had been mortgaged and re-mortgaged beyond any further value as collateral. Surprisingly, however, Heureaux was not yet at the end of his rope.

In 1898 the dictator seized upon an unexpected opportunity to deploy Dominican sovereignty in a new way. The occasion was the war for independence unfolding in neighboring Cuba. At first Heureaux remained officially neutral while secretly allowing the rebels to use Dominican territory. Heureaux's interpretation of U.S. policy during the crisis was that of a hardened materialist. "Having large amounts of money at stake makes nations, like individuals, skittish and conservative. The imminent threat of war will slowly modify the excesses of the Americans."[18]

With the entry of the United States into the Cuban conflict in April 1898, Heureaux believed he had found an escape from economic collapse. Expecting the war to last for some time, Heureaux assumed that the United States had urgent need of a naval base in the Caribbean and made secret overtures to cede or lease the spectacular bay at Samaná to the Americans. Aware that Dominicans would not support the mutilation of their nation's territory, Heureaux suggested that Washington simply seize Samaná and negotiate terms later.[19]

Although trading Samaná for a U.S. assumption of his nation's debt would have been a precocious debt-for-equity swap, Heureaux apparently had a different *quid pro quo* in mind. He took for granted that the United States would absorb Cuba and Puerto Rico, Spain's only remaining colonies in the New World. That would give the United States tariff-free access to tropical products like sugar, coffee and cacao, with dire consequences for the Dominican Republic, "situated between Cuba and Puerto Rico, and having the same conditions of soil and climate." Heureaux worried about "the fate of our products, whose principal market is the United States. . . . We cannot compete unless we come to terms with the United States commercially."

The dictator met with a U.S. negotiator to concretize a reciprocity treaty that would keep Dominican exports on the same footing as those from the former Spanish colonies. The war in Cuba ended quickly, however, and the American takeover of Puerto Rico and designs on Guantánamo Bay made Samaná irrelevant. Undeterred, Heureaux redeployed Dominican sovereignty in Madrid's direction, noting "I don't think Spain will renounce her Latin American trade, and to that end will need to reach an accord with an absolutely friendly nation that occupies a strategic position and offers secure parts for her traffic." A treaty with the Dominican Republic might be the basis for "a new international policy for Spain" given what Heureaux discreetly termed "the new situation created in the Antilles."[20]

The overtures to Madrid, like those to Washington, failed and Heureaux was left to confront a disaster in the financial realm that had finally come home to roost, crushing his nation's economy and encouraging his political enemies. Further borrowing abroad had halted with the country's default in 1897. After that event, Heureaux ordered the Banco Nacional to issue over $3 million in unbacked paper currency and several million more in adulterated coins. The crisis that ensued pointed toward the end of the regime.

By 1899, Heureaux's attempts to wring every last penny from his nation's sovereignty had led to a multifaceted crisis, financial, commercial, monetary and diplomatic, that encouraged a group of conspirators to shoot the dictator dead when he traveled to the northern side of the island to extract more loans from local importers. Long-suffering Dominicans quickly gave Heureaux the epitaph: "La papeleta mató a Lilís"—meaning that the worthless paper money had killed him. Thus popular wisdom connected the dots that linked the Improvement Company's fraudulent bond issues and the National Bank's unbacked paper money to the dictator's demise. The various forms of worthless paper promulgated by Heureaux were almost literally a house of cards.

Heureaux's death led to a slowly unfolding financial and diplomatic crisis, as holders of Dominican bonds in Europe clamored for protection from the Improvement Company, which had done so little to defend their interests. Washington at first stood by the Wall Street firm, but by 1904 recognized that the avarice of a single company could no longer dictate American policy in Santo Domingo. With the declaration of the Roosevelt Corollary, the U.S. assumed the role of fiscal overlord, declaring to European creditors that international police power, in Theodore Roosevelt's words, "will be performed by us within our own sphere, in the interests not merely of ourselves but of all other nations, with strict justice toward all." By making the internal fiscal policies of a Latin American state the grounds for U.S. intervention, Roosevelt overcame the hurdle of sovereignty and solved the "commitment problem" once and for all. What we refer to as property rights, Roosevelt called civilization.

In his pursuit of lucre Heureaux employed at least five functionally different facets of the term sovereignty. First, sovereignty served as a form of collateral. An independent nation could not disappear as bankrupt companies do, thus its mere existence provided an inherent guarantee to investors. To make that guarantee ironclad, however, an independent nation had to be ruled by an unchallenged government and executive, which justified iron fist policies to pacify the nation. A sovereign state also presumably controlled its own sources of revenue. In the Dominican case, the government of Heureaux had voluntarily shared that power with foreign investors by allowing their employees to verify customs receipts. In practice, Heureaux's sway over officials trumped the letter of the investors' contracts, allowing the dictator to prevent foreigners from exercising effective control over his government's income, thereby informally restoring his nation's fiscal sovereignty.

An independent nation could also assert its sovereign equality among free states, justifying its right to make treaties and contract loans as it saw fit, and at times Heureaux upheld this abstract principal. "Weak nations like us, we are equal to strong nations, and under no circumstances can we be inhibited from acting as our national interests demand, always within our legitimate rights."[21] But elsewhere in his private correspondence the dictator was given to realpolitik. In the midst of his desperate effort to reach a free trade agreement with Spain in 1898, Heureaux dismissed the ideal of sovereign equality: "The United States is jealous of its commercial domination of the Americas and perhaps would not look favorably on us if we use our sovereignty in a way that we understand to be in our best interest."[22] During a diplomatic standoff with France in 1895, Heureaux noted: "Of course, small and poor as we are, we will inevitably succumb to the empire of force that . . . tramples the principles of international justice."[23] Throughout his presidency Heureaux played the card of sovereign equality for all it was worth, but after his death his nation would indeed "succumb" before the rising power of the United States.

Finally, a sovereign state by definition had control of a fixed and clearly defined territory, which meant that only a nation's own government could legitimately revise its borders, for example, by ceding a coaling station or naval base to a foreign power. At the endgame of Heureaux's regime, he put in play the cession of Samaná Bay to the U.S. Navy, but to no avail. Aware that the Dominican people would rise up against this distorted use of sovereignty, Heureaux did not dare to move forward with the scheme.

International borrowing in the late 1800s made the Dominican Republic an unlikely player in the capital markets of Europe and the United States and, because of those loans, in the diplomatic and geopolitical schemes of the Great Powers. For nearly 20 years, Ulises Heureaux played power politics as well as he could with the hand he was dealt. In the end, no amount of cynical opportunism could save the Dominican leader, nor could any of the many meanings of sovereignty rescue the Dominican Republic from the greater financial, diplomatic and military forces in play in the Caribbean at the time.

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[1] Ulises Heureaux to Isidor Mendel, 14 February 1898, *Antología de cartas de Ulises Heureaux (Lilís)*, ed. Cyrus Veeser (Santo Domingo: Archivo General de la Nación, 2015), p. 385.

[2] Graphics taken from Alan M. Taylor, "Foreign Capital in Latin America in the Nineteenth and Twentieth Centuries," Working Paper 9580, NBER Working Paper Series, March 2003, JEL No. F21, F33, F34, F36, N16, N26, http://www.nber.org/papers/w9580.

[3] "Solo Dios creó de la nada. Yo, simplemente humano, necesito partir de algo, tener algún punto de apoyo para hacer de lo poco algo mayor." *Antología de cartas*, p. 410.

[4] "Cuanto sea eficaz para importer nuevas capitals al país, para desarrollo a las industrias, y para aumentar el cuerpo de productos y de transacciones merecerá siempre mi decidida cooperación . . ." Ulises Heureaux to William L. Bass, no date [January 1898?], *Antología de cartas*, p. 380.

[5] "El señor Batlle, con su proceder, causa marcado entorpecimiento a la marcha administrative del Gobierno, en razón de . . . haber suspendido estos pagos. . . . " Ulises Heureaux, Memorandum, 17 October 1894, *Antología de cartas*, p. 92.

[6] Carlos Marichal, *A Century of Debt Crises in Latin America* (Princeton: Princeton Univ. Press, 1989), p. 81

[7] Leland Jenks, *The migration of British capital to 1875* (New York: Harper & Row, 1973), p. XX.

[8] "De cualquier manera el Gobierno, siquiera sea por su perduracion a traves del tiempo tiene que ser mas solvente y ofrecer mejores garantias que los particulares." Ulises Heureaux to C.W. Wells, 12 October 1897, *Antología de cartas*, ed. Veeser, p. 352.

[9] Luis Drago, "State Loans in their Relation to International Policy," *American Journal of International Law* 50: 2 (July and October, 1907), p. XX.

[10] Theodore Roosevelt, "Message to Congress," XX.

[11] David Landes, *Bankers and Pashas* (New York: Harper & Row, 1958, p. 106.

[12] "Por mi parte puedo darle seguridades de que duplico mis esfuerzos en el sentido de que ninguna alteración pública venga a detener la confianza que brinda la paz a los tenedores de estos valores." Ulises Heureaux to C.W. Wells, 1 October 1894, *Antología de cartas*, p. 86.

[13] Albert Fishlow, "Lessons from the Past: capital markets during the 19th century and the interwar period," *International Organization* 39: 3 (Summer 1985), p. 400.

[14] *New York Tribune*, 17 January 1901.

[15] Charles W. Wells, vice-president of the Improvement Company, had always shown "buena voluntad en ayudarme y jamás de su parte el más leve entorpecimiento en los grandes apuros de antes y de ahora; pero aun así en medio de esos apuros siempre lo encuentro accessible y con notable empeño en demostrar querer ayudarme. Bien sé que a la vez sirve sus intereses, pero sería una pretension injustificable exigirle o pedirle la abnegación de que [los] olvidara o abandonara." Ulises Heureaux to Ysidor Mendel, 13 November 1896, *Antología de cartas*, p. 260.

[16] If Charles W. Wells "se encuentra hoy mezclado a los asuntos del Banco ha sido a esfueros mios y por serme grato ayudándome a destruir estorbos que de un modo u otro los anteriores a él echaban en mi camino, contra nuestros intereses económicos y políticos." Ulises Heureaux to Ysidor Mendel, 13 November 1896, *Antología de cartas*, p. 259.

[17] Ulises Heureaux to Charles Wells, 7 October 1896, *Antología de cartas*, p. 242 (original in English).

[18] "El mucho oro hace asustadizos o conservadores a los hombres y a los pueblos; y presiento que la perspectiva de un inminente peligro de guerra irá modificando, poco a poco, las exageraciones de los americnos." Ulises Heureaux to José L. de Escoriaza, 24 April 1896, *Antología de cartas*, p. 207.

[19] "As the popular prejudices of the Dominican people are strongly against the alienation of a foot of their territory to any foreign nation," the U.S. consul in Santo Domingo reported, ". . . [Heureaux] wishes our Government to aid him by taking the initiative and seizing the Bay." Archibald H. Grimké to Secretary of State William Rufus Day, 7 April 1898, Despatches from U.S. Consuls in Santo Domingo, U.S. National Archives.

[20] Heureaux instructed his special envoy in Madrid to propose a "Tratado de reciprocidad comercial" that "puede ser base para la nueva política internacional de España, en cuanto a las relaciones con los pueblos que le deben el origen a la lengua, y las costumbres & &. Sobre todo con este país." Later he told the same official: "Creo que España no renunciara al comercio latino-americano, y a ese fin ha de convenirle que un país absolutamente amigo; ocupando una situación céntrica pueda siempre ofrecerle puertos seguros para su tráfico, y aun tal vez para depósitos que le sirvan para entretener sus transacciones con las demás Republicas del Caribe y del Golfo de México." Ulises Heureaux to José L. de Escoriaza, 13 October and 10 November 1898, *Antología de cartas*, pp. 456 and 461.

[21] "Los pueblos débiles, somos iguales a los fuertes, y en ningún caso pueden hallarse cohibidos para ejercer los actos que exija la conveniencia nacional entre el limite del derecho legítimo." Ulises Heureaux a W. F. Powell, 23 June 1898, *Antología de cartas*, P. 416.

[22] "Los Estados Unidos son muy celosos de su preponderancia comercial en América, y quizás no veríanan con buenos ojos que nosotros, en uso de nuestra soberania, trataremos a ese respect lo que a nuestro leal entender más nos conviene." Ulises Heureaux to José Ladislao de Escoriaza, 15 September 1898, *Antología de cartas*, p. 442.

[23] "Desde luego pobres y pequeños como somos sucumbíremos indefectiblemente al imperio de la fuerza que . . . atropella los fueros de la justicia internacional." Ulises Heureaux to Emanuel de Almeda, 12 January 1895, *Antología de cartas*, p. 108.