

Implementing Reform: 1924-1928

By 1924, Cuba stood at the brink of political chaos. Dependence upon the United States for trade, political advice, and military intervention was growing stronger with a corresponding drop in Cuba's ability to maintain the attributes of national sovereignty. The American ambassador, Enoch Crowder, held veto power over Cuban policies and Cabinet appointments. The US government dictated election policies, political decisions, and Cuban foreign policy. No attempts at economic diversification had been seriously attempted. Cuba's economy remained almost entirely dependent upon sugar production. The sugar harvest was sold to Americans to pay for American imports. Cuba's industrial capacity was virtually non-existent. Cuba's ability to develop alternatives to American trade, finance, and political dependency was severely restricted due to the provisions of the Platt Amendment. Cuba's national government was bankrupt, corrupt, subservient to US demands, and lacked the power and prerogatives enjoyed by independent states. Cuba's leaders actively sought and accepted American military intervention. From 1909 through 1924, Cuba's political, economic, and constitutional fortitude crumbled under the leadership of ineffective politicians and presidents. Menocal and Zayas had contributed little to the development of a politically and economically viable nation. Labor strikes, falling sugar prices, and armed rebellion remained threats.

Machado faced daunting and overwhelming obstacles when inaugurated in 1925. Fifteen years of leaderless drifting reduced real expectations or the likelihood of a national revival. Yet Machado's goals could not have been more ambitious -- he had to reverse Cuba's slide into an American dependency. His goals included Cuban

economic growth, infrastructural development including highways and sewer systems, light industrialization, better trade terms with the United States, improved health and sanitation conditions, better educational and medical facilities, an honest government, and the end of the Platt Amendment. While his first term was relatively peaceful, Machado's second term was challenged not only by a bankrupt treasury due to collapsing sugar prices and the constant threat of US intervention (which his domestic opponents repeatedly requested after 1928) but also armed insurrection from Menocal and Mendieta, bombings and terrorism in Havana from teenage revolutionaries¹, and the onset of the Great Depression in 1929.

Trip to the United States

At the suggestion of Crowder, Machado met with President Calvin Coolidge before his presidential inauguration in the Spring of 1925. Far from being an obsequious² trip to placate the concerns of American investors as some have charged, Machado used his visit to demand a reduction in American involvement on the island. Having campaigned vigorously to reassert Cuba's independence vis a vis the United States, Machado did not waste time and asked the American President to revoke the Platt Amendment. The American response was cool -- the US administration already thought the terms of US-Cuba relations were favorable enough for both parties.³ Nevertheless, according to Machado, Coolidge promised to rescind the provisions of

¹ See Chapter 10, "Student Opposition."

² This characterization was attributed to Machado by Jorge I. Domínguez, "Seeking Permission to Build a Nation: Cuban Nationalism and United States Response Under the First Machado Presidency," Cuban Studies No. 16, Carmelo Mesa-Lago, ed., (Pittsburgh: University of Pittsburgh Press, 1986), 38.

³Jorge I. Domínguez, "Seeking Permission to Build a Nation: Cuban Nationalism and United States Response Under the First Machado Presidency," Cuban Studies No. 16, Carmelo Mesa-Lago, ed., (Pittsburgh: University of Pittsburgh Press, 1986), 42.

the Platt Amendment.⁴ This visit was followed by a formal request for a new reciprocal treaty on May 25, 1926,⁵ during a time when Machado enjoyed a peaceful and prosperous first term.

Industrialization and Trade Policies

Machado initiated legislation protecting Cuba's light industry which not only encouraged domestic production, but would later make the revised trade treaty between the United States and Cuba (in 1934) much easier to negotiate in Cuba's favor.⁶ Clearly, he was worried about "the danger of an economic intervention which would be humiliating."⁷

He sought to replace the influence of the United States with a stronger Cuba:

I thought -- and said so in Washington and New York, when I made an official visit there before taking charge of the government -- that after Cuba had proved her ability to manage her own affairs, she would have the right to ask for the revision of the Treaty -- I must confess that I obtained from Mr. Coolidge's government satisfactory promises in that sense.

By providing Cuba with her own means of subsistence, building up her small sources of production, I could remove her from the excessive influence of those who sold us nearly all the things that were necessary to sustain life and bought from us the only thing that we could sell. By keeping order in the country, organizing the administration, increasing the prestige of Cuba internationally, I could in time request with firmness the revision of the Permanent Treaty in which the

⁴ Machado Collection, Otto Richter Library, University of Miami, Coral Gables, Florida, Box 1, Folder 8, II-13.

⁵ Jorge I. Domínguez, "Seeking Permission to Build a Nation: Cuban Nationalism and United States Response Under the First Machado Presidency," *Cuban Studies No. 16*, Carmelo Mesa-Lago, ed., (Pittsburgh: University of Pittsburgh Press, 1986), 39.

⁶ *Ibid.*, 42.

⁷ Machado Collection, Box 1, Folder 8, II-15.

Platt Amendment was incorporated. In these two parallel lines of my policy, my plan of government was condensed."⁸

Machado's Program

Under Machado, the massive scale of direct government investment into the Cuban economy and the creation of new federal laws protecting Cuban industry from cheaper imports led to the growth of independent Cuban light industrial concerns, transportation facilities, educational institutions, and other infrastructural developments. Machado's government development plans, coupled with a conscious decision to protect and promote island businesses at the expense of the Americans, makes it difficult (if not deceptive) to characterize Machado as a tool of American capitalists' interests. Machado's leadership moved Cuba forward toward the creation of a diversified and industrializing economic base, one which could bolster Cuba's demand for the revision of their terms of trade and the abrogation of the Platt Amendment.

When compared to all previous presidents of the Republic of Cuba, Machado possessed the greatest plans for reform and made the greatest progress in developing Cuba's infrastructure and commercial system. His policies could have carried Cuba beyond agricultural dependency and reliance on manufactured goods from the United States. Machado's reform of the Cuban economy possessed characteristics remarkably close to Import Substituting Industrialization theories advocated by most post World War II political theorists and reformers, including those of the present day. Machado

⁸ Ibid., Box 1, Folder 1, II-13. A similar passage can also be found in Gerardo Machado, Ocho Años de Lucha, Mario Gajate, ed., (Miami: Ediciones Historicas Cubanas, 1982), 180.

aimed to restrict the rights of US economic interests, protect and favor nascent Cuban industries from US competition, and build the physical infrastructure to create a viable internal Cuban economy that could sustain its own growth.

"Water, roads, and schools" was Machado's populist platform to the people,⁹ and he largely delivered on his promises. Finding the public schools a mess, with insufficient desks and many lacking basic teaching materials, Machado quickly set about establishing new schools. Under his care, spending for public education "reached the highest levels of expenditure and of performance in independent Cuba."¹⁰ Public works projects were initiated, and the Cuban Central Highway was completed during his administration after the bidding process on September 27, 1926.¹¹ Much of Machado's finances came from loans from American banks, but under his care they had a vastly greater impact on Cuban development under any previous administration.

Carretera Central

Machado's most ambitious construction project was the creation of a *Carretera Central*, or Central Highway running from one end of Cuba to the other, connecting hitherto isolated communities and agricultural centers on a free public highway. Machado actually completed a road project which significantly changed that nation when "Menocal's government had paid enormous prices for miles of roads which had never been constructed and

⁹ Ibid., III-19,19a.

¹⁰ Jorge I. Dominguez, "Seeking Permission to Build a Nation: Cuban Nationalism and United States Response Under the First Machado Presidency," *Cuban Studies No. 16*, Carmelo Mesa-Lago, ed., (Pittsburgh: University of Pittsburgh Press, 1986), 39.

¹¹ Roberto O. Hernandez, "The Second Administration of President Machado, p 45.

Zaya's government paid large sums for repairs of those non-existent roads."¹² Bidding on this massive project commenced September 27, 1926;¹³ the highway was completed in 1931. This Cuban owned and operated transportation infrastructure would ameliorate Cuba's reliance on foreign owned and controlled railroads. Up until the creation of the Central Highway, the only realistic means of transporting Cuba's primary economic product (sugar cane) was over the foreign controlled railroads. These and other private rails were used only to move cane from the sugar plantation to the mills and on to port. The British and Americans owned the United Railways and Consolidated Railways, respectively.¹⁴ Many Cubans, especially in the interior and east of Cuba had no reliable or cost effective way of transporting themselves or their products to market, so much so that it was cheaper to import food from the United States than it was to buy Cuban produce in the Capital. Not only did it provide Cuba with its own independent and universally accessible transportation system, but it created a cornucopia of new jobs and opportunities in the Cuban economy. These nine hundred new kilometers of paved road provided jobs for mechanics, auto body specialists, bus and taxi drivers, gas station attendants, and roadside hospitality providers. For the first time busses were manufactured in Cuba, with only the engines made in the United States.¹⁵

The spurt of domestic economic diversification accompanying the creation of the Central Highway under Machado provided a higher standard of

¹² Ibid., Box 1, Folder 1, II-13,14.

¹³ Roberto O. Hernandez, "The Second Administration of Machado," p. 45.

¹⁴ A. Buell, ed., Problems of the New Cuba: Report of the Commission on Cuban Affairs, (New York: Foreign Policy Association, 1935), 433.

¹⁵ Ibid., p. 42. .

living than sugar cane cutting and was less affected by the drop in wages during the Great Depression and consequently ameliorated the effects of the Depression. The highway created demand for workers, truck drivers and mechanics, and while the wages of sugar cane cutters plummeted 50%, (from \$1.60 per day to \$0.80 per day), truck drivers wages dropped only 20% (to \$2.00 per day).¹⁶ Mechanics wages, \$3.50 per day in 1929, dropped only 36% at the depths of the Great Depression to \$2.25 per day which was vastly preferable to the wages of cane cutting.

So successful was the Central Highway that American experts, reviewing the state of Cuban affairs for the post-Revolutionary government, run by Carlos Mendieta, warned that the Central Highway was rendering the foreign owned rail system financially unviable.¹⁷ They advised the government to raise taxes and fees for users of the highway in order to restrict competition from the highway and to force customers to turn to the US owned railroads. The report stated that 1535 buses, 252 other commercial vehicles, and 8802 *camiones* (trucks) were using the highway system. "Unfair competition" from these Cuban transportation providers "seriously affected" the foreign owned railroads and caused them to operate at a deficit. Cubans could provide transportation for one third of the cost of foreign-owned railroads.¹⁸ Said one scholar: "The Central Highway, in particular, and other

¹⁶ Susan Schroeder, Cuba: A Handbook of Historical Statistics. (Boston: G. K. Hall, 1982), 190. Hereafter, "Schroeder, Cuban Statistics."

¹⁷ A. Buell, ed., Problems of the New Cuba: Report of the Commission on Cuban Affairs, (New York: Foreign Policy Association, 1935), 433.

¹⁸ A. Buell, ed., Problems of the New Cuba: Report of the Commission on Cuban Affairs, (New York: Foreign Policy Association, 1935), 433.

adjacent roads increased Cuba's social and economic standards to a level never attained before.”¹⁹

The New York Times called the Central Highway the "most ambitious program ever undertaken by any Cuban government." Chase National Bank in New York, approved a loan of \$70,000,000.00 to finance the road which would be repaid through new taxes, including a gasoline tax estimated to generate an additional \$18,000,000.00 per year in revenue.²⁰

Hospitals, Justice, Asylums and Social Issues

Presidential administrations previous to Machado demonstrated a remarkable failure to control crime. Menocal, Gomez, and Zayas all gave in to political pressures to release well connected criminals, but even more often, they took money in return for early releases. Machado released convicts early, too, but in return for good behavior. Country bandits and kidnapers lived openly in the countryside until Machado turned the Army loose on them. Machado reports that "the first case of kidnapping during my government was also the last one." ²¹

Cuba had inherited a system of legal codes left over from the Spaniards, and Machado undertook a comprehensive legal reform of Cuban Laws. He appointed a "Commission of Jurists" from among the Cuban legal

¹⁹ Roberto O. Hernandez, "The Second Administration of President Machado," p 39.

²⁰ New York Times, "To Give Credit to Cuba," January 1, 1927, page 44, Financial Section.

profession who recommended the needed changes which Congress duly adopted.²²

Machado's government implemented a prisoner classification with full records of prisoners so that "each prisoner will be classed in accordance with their character and possibilities of regeneration."²³ And he initiated construction of a new national penitentiary on the Isle of Pines, plus two new insane asylums.²⁴ In each of Cuba's six provinces, a new hospital was being built, plus two insane asylums under Machado's administration. In addition he budgeted over \$3,000,000.00 to combat tuberculosis.²⁵

Civil Service

It had become plain to Machado that Cuba's instability was due at least in part to the highly partisan nature of government over the previous two and a half decades and thus warranted something more than politics as usual. Machado's remarks constantly reflected a fear of US intervention if the situation in Cuba did not change soon.²⁶ Above all, Machado wished to move Cuba from being perceived and treated as a backwater nation of civil incompetents, to one respected for their civil and political maturity. A government existing only for the purpose of political patronage would not

²¹ Machado Collection, Box 1, Folder 8, II-18.

²² Ibid., Box 1, Folder 8, III-20.

²³ Havana Post, March 21, 1928, Havana. (M 488 R21)

²⁴ Evening News, September 25, 1925, Havana.

²⁵ Havana Post, March 20, 1928, Havana.

²⁶ Machado Collection, Box 1, Folder 8, II-19.

produce this kind of respect, so Machado immediately began an effort to reform Cuba's civil service and end the gross political patronage that had characterized Cuban bureaucracy up until then. The President realized that without creating a mature, stable, professionally run civil government, it was unlikely that he could win significant concessions from the Americans vis-a-vis the Platt Amendment.

Spain's custom of filling government positions as a reward for political cronies or family members was abandoned under Machado. Whereas a change of administrations would previously have produced close to 100% turnover in a government's administration, Machado insisted that non-political appointees should not be fired and replaced by Liberal partisans.²⁷ Working closely with all political parties to depoliticize civil postings, "not a single conservative was removed from office if he showed that he was competent to fill the position."²⁸

Machado's policy of bi-partisan government in times of crisis was imitated a few years later by United States President Franklin D. Roosevelt in an attempt to put the good of the country before the benefit of the party. For Cuba, this was a new and fresh development in civil politics.

Schools

In 1924, the educational situation in Cuba was very poor. The University of Havana was largely housed in barracks left over from the Spanish colonizers from the previous century. There were very little scientific or research facilities available to professors or students. There were a few

²⁷ Havana Post, September 10, 1925, Havana.

²⁸ Machado Collection, Box 1, Folder 8, II-18.

new buildings, but they remained unfurnished. Most schools lacked enough desks to seat the children and were short on basic instructional materials.²⁹

Under Machado, the educational system received a massive infusion of money, propelling one observer to note that spending for public education "reached the highest levels of expenditure in independent Cuba."³⁰ This included the Finlay Institute for medical research and training.³¹ Machado's administration created new Technical-Industrial schools and commercial schools. He improved and enlarged the agricultural stations and established a "special rural school" to provide technical instruction appropriate to those working in rural areas.³², ³³ School enrollment increased from 272, 892 in 1924 to 484,466 in 1931. Five thousand new schools were built between 1924 and 1934. Literacy rose from approximately fifty percent to over seventy percent between 1919 and 1931. Adult evening schools increased from 73 in 1925 to 102 in 1931.³⁴ Cuban education was part of Machado's plan to strengthen the island, and he delivered on that promise. After Machado was ousted, Cuban literacy and education dropped, and did not reach compared levels until the 1940s and in some cases the 1950s. ³⁵

²⁹ Ibid., Box 1, Folder 8, II-17.

³⁰ Jorge I. Dominguez, "Seeking Permission to Build a Nation: Cuban Nationalism and United States Response Under the First Machado Presidency," Cuban Studies No. 16, Carmelo Mesa-Lago, ed., (Pittsburgh: University of Pittsburgh Press, 1986), 39.

³¹ Roberto O. Hernandez, "The Second Administration of President Machado, 48.

³² Machado Collection, Box 1, Folder 8, II-19B.

³³ Ibid., Box 1, Folder 1, III-19a.

³⁴ Ibid., 135.

³⁵ Schroeder, Cuban Statistics, 122, 123.

Military

Political scientists have noted that the army has been one institution in Latin America that has consistently offered members of the lower ranks of society a chance to rise to the top. Machado's attempted reforms of the military would have opened an avenue for social and economic advancement to the traditional underclass -- those likely to enlist as soldiers. Machado proposed to allow enlisted men to advance into the officer corps. This was resisted by the upper class officers who felt it was a class privilege and protected sanctuary for the wealthy and elite families.

Cuban military officers traditionally came from the upper class, worked little, enjoyed the graft and corruption of civilian life, and did little to encourage military esprit de corps. The Sergeants Coup in 1933 was successful because the non-commissioned officers (Sergeants) ran the base with very little participation by the commissioned officers, who more often than not spent their time in town. That Machado opened the way for NCOs to advance to officer rank, provided educational opportunities for them, and improved their living conditions speaks not of Machado's elitism, but of his egalitarianism. Unfortunately economic conditions and the opposition of the officer class prevented Machado from fully carrying out his plans to improve the lot of the enlisted men, which helped that group to decide to rebel later on.

Machado created an Aviation wing of the Army and a new Aviation school so highly regarded that pilots from Ecuador, Santo Domingo, Costa Rica and other countries trained there. This foresighted military development certainly would have been of long term benefit to Cuba in the development of a civilian aviation industry, especially since Cuba lies at the crossroads of

almost all traffic between the United States and South America.³⁶ The armed forces increased in size only by 1.9% between 1925 and 1933, in spite of Machado's military background. These numbers were virtually the same as their 1912 level.³⁷ Machado did not militarize Cuban society -- that would not happen until after he was out of office.

Foreign Affairs

By January, 1928, Machado's administration had been so successful in turning around Cuba's international reputation that he was able to host the Sixth Pan-American International Congress and the countries of the western hemisphere voted unanimously to make Havana the headquarters of the American Institute of Intellectual Co-operation. Cuban diplomats succeeded in bringing the Peruvian and Chileans together so that President Coolidge could arbitrate the Tacna-Arica dispute.³⁸ Machado hoped that many nations would turn to Cuba as a way of mediating differences between the United States and Latin America since Cuba was thoroughly Latin, and yet was well experienced with the attitudes and habits of their northern neighbor.³⁹ Machado demanded a revision of the Platt Amendment and pushed for the establishment of Spanish as co-equal with English in diplomatic communications with the United States.⁴⁰ Under Machado, a new parcel post treaty went into effect in 1928 and long distance phone service improved in quality.⁴¹

³⁶ Machado Collection, II-19B.

³⁷ Schroeder, Cuban Statistics, 522.

³⁸ Machado Collection, II-20.

³⁹ Machado Collection, II-20.

⁴⁰ Jorge I. Dominguez, "Seeking Permission to Build a Nation: Cuban Nationalism and United States Response Under the First Machado Presidency," Cuban Studies No. 16, Carmelo Mesa-Lago, ed., (Pittsburgh: University of Pittsburgh Press, 1986), 33.

⁴¹ Havana Post, May 21, 1928, Havana. (M 488 R21).

Capital and Urban Development

Public spending in Havana, Camaguey, and Santa Clara transformed them into modern and attractive cities. Hospitals, insane asylums, nurseries for infant care, public parks, avenues, public squares, new streets, public buildings, and new roads all increased employment and bolstered Cuba's image at home and abroad.⁴² Camaguey and Santa Clara were thoroughly renovated with outstanding new governmental buildings, and complete water and sewage systems.⁴³ A later observer recorded: "As in the case with the provisional government, the municipal government of Santa Clara received, from the Machado regime, the heritage of a physically improved entity. The streets are exceptionally well paved, and there is an ordinance providing that all vehicles, even horse-drawn, must be equipped with rubber tires."⁴⁴ Machado rebuilt the government buildings in Havana, widened the Malecon, dredged the city harbor wide enough to allow two ships to pass simultaneously,⁴⁵ and hired a famous French architect, M. Forestier, to re-engineer the capital city. Although the design was completed, construction was never initiated.⁴⁶

⁴² Machado Collection, Box 1, Folder 1, III-19a.

⁴³ Ibid., Box 1, Folder 1, II-18.

⁴⁴ Samuel S. Dickson, Chargé d'Affairs, December 26, 1933, Havana, 837.00/4593.

⁴⁵ Havana Post, September 21, 1925, Havana.

⁴⁶ Ibid., Box 1, Folder 1, II-19 B.

Public works projects provided significant employment. The Havana Post reported 9000 men working on Cuban Highway, 1535 working on the capitol building, and 700 on Fraternity Park in 1928. The paper carried a large photograph of the park from the air; it featured expansive grass lawns, and a central colonnade with Roman arches and pillars.⁴⁷

Methods

As the executive, he carried out the laws passed by Congress. Congress was split between the Liberals, Conservatives, and a few Popular Party members. With very strong tri-partisan support, Machado crafted legislation and passed it in Cuba's upper and lower houses. Congress had something to gain out of this cooperation as well. They passed legislation making it much more difficult for new political parties to compete in elections, and forbidding their own parties from ousting the incumbent leadership. Given the breakdown in party order this seemed prudent in 1925. Politicians who could not get elected, such as Menocal (at least for the third term as president) and Mendieta disregarded party unity except when it put them in a position of power. Cubans generally subverted party loyalties to admired leaders – caudillos – and thus were quick to break ranks if the party failed to deliver on the goal of providing power. That can be chaotic under a system (such as Cuba's) which recognized the centrality of the party's function of selecting candidates to stand for election.

Machado allowed Congress relative immunity from prospective competitors (by freezing party organization and extending the term for Senators for an additional

⁴⁷ Havana Post, May 4, 1928, Havana.

two years) as well as access to the lucrative national lottery in order to protect the Congressional coalition he needed to maintain his program for national development. Congress amended the Crowder Electoral Code of 1919 to allow the leaders of political parties to maintain their positions of power and influence. Concessions to the national lottery gave Congressmen the franchise to sell tickets from thirty to fifty percent above the regular price.⁴⁸ These “allowances for official corruption were by no means unusual in Cuban history and created an environment in which a cooperative Congress could support Machado’s national reformation and address the long standing issues of political and economic reformation ignored by previous administrations. Dissuading Cuban government officials from enriching themselves in office was virtually impossible due to its long tradition in Cuba both under the Spanish and since Independence. Denying Congress graft wasn’t going to move Machado’s platform forward at all and probably never entered Machado’s mind as a serious political goal. In fact, holding any political office was an economic goal for aspiring middle class Cubans; it was one avenue they could excel without competition from Spanish nationals (who held the corner on most business ventures) and Americans (who controlled or owned most of the sugar industry).

Conclusion

Each of Machado’s major construction projects and political initiatives could have a book, paper, or dissertation devoted to it alone. Hopefully the following discussion will inspire some creative thinking among scholars to look deeper into Machado’s era – one of profound change and development. Machado presided over

⁴⁸ Hernandez, "The Second Administration of President Machado," 35, 37, 38.

the first great reform of Cuba's government and economic policy since the American intervention and occupation, 1898-1902. His first administration was wildly popular, and populist. He introduced legislation designed to emancipate Cuba's economy from the stranglehold of foreign domination and provide economic opportunities for his people.

Machado was at the apex of his popularity when his term was set to expire. Believing that the vast majority of Cubans desired him to continue in office, and earnestly desiring to complete his ambitious projects of national reconstruction, Machado sought a second term in office with a cooperative legislative branch. Certainly in their minds this was preferable to turning the government back over to Menocal or risk losing the great progress made under Machado's administration. His presidency was clearly a radical break from previous administrations.