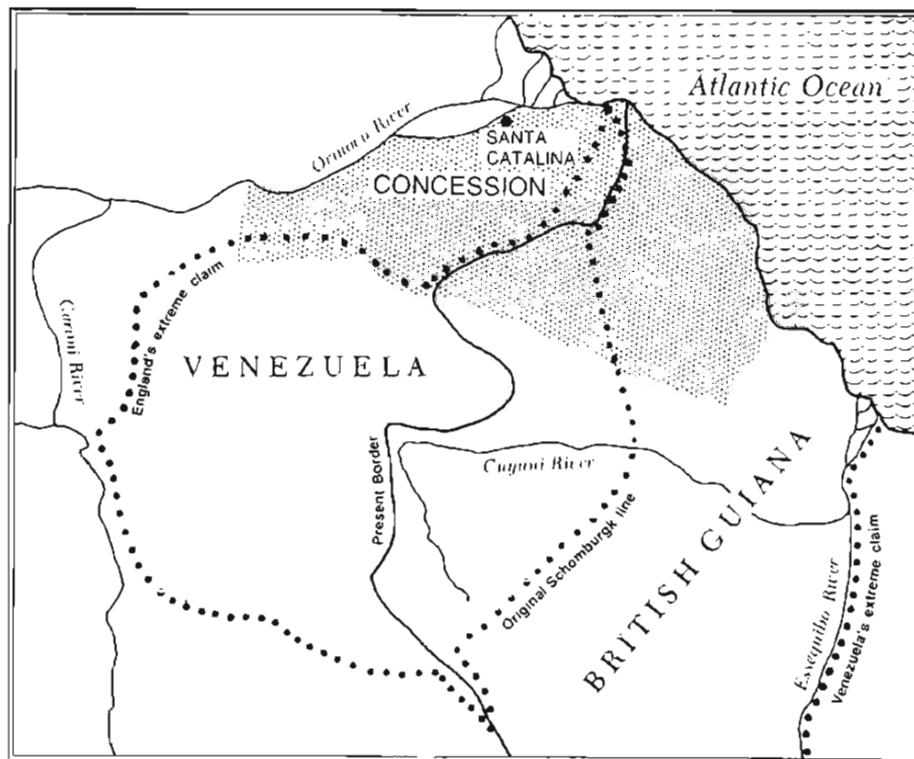




Disputed Concession of the Orinoco Company



EMPIRE ON THE ORINOCO

Minnesota Concession in Venezuela

Gretchen Kreuter

ON A STORMY EVENING a week before Christmas, 1895, the Young Men's Club of the Congregational Church of Faribault, Minnesota (population: 7,800), presented a timely program on Latin America for its membership. For nearly a year politicians had been talking about British moves in the Caribbean and Venezuela, and on the very day of the church meeting President Grover Cleveland had delivered a ringing message to Congress about the boundary dispute pending between Venezuela and British Guiana. The Monroe Doctrine was at stake, he claimed, and the vital

American rights and interests involved should be defended even at the risk of war.¹

The program in Faribault had been planned well ahead of the president's speech, but one of the speakers at the Congregational Church did discourse upon the Monroe Doctrine, and another spoke on the "vital American rights and interests" that were closest to the hearts of local citizens. He discussed American economic opportunities in Venezuela and, more specifically, the Orinoco Company — its promised riches and its need for colonists to develop the area's vast resources of iron ore, gold, asphalt, balata, and timber.²

The Orinoco Company, in some important ways, was Faribault's own. The company's chief architect and leading investor was a former Faribault mayor, Donald Grant, who (his biographer assures us) had risen from humble origins by thrift and economy and a close attention to the adage, "Take care of the pennies, and the dollars will take care of themselves." Grant had pursued a lucrative career supervising railroad construction for James J. Hill in North Dakota, Montana, and on the Mesabi Iron Range in northern Minnesota. He had invested his fortune in a variety of local enterprises — the opera house and the canning works of

¹ A good general account of the Venezuelan boundary dispute is in Dexter Perkins, *The Monroe Doctrine, 1867-1907*, 136-252 (Baltimore, 1937). See also Walter LaFeber, *The New Empire: An Interpretation of American Expansion, 1860-1898*, 242-283 (Ithaca, New York, 1963).

² *Faribault Pilot*, December 19, 1895, p. 1; *Faribault Republican*, December 18, 1895, p. 3.

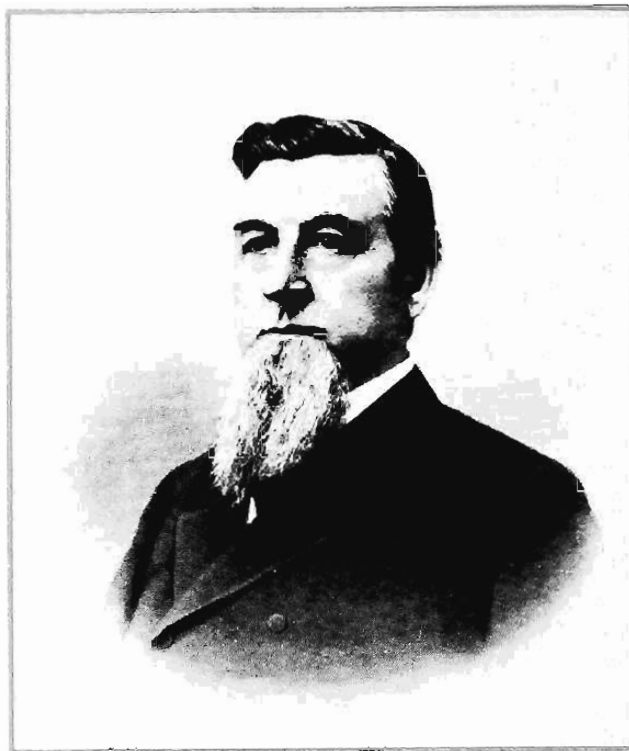
Gretchen Kreuter, president of Women Historians of the Midwest (WHOM), presented a shorter version of this paper at the annual meeting of the Organization of American Historians at Chicago, Illinois, in April, 1973.

Faribault and the boot and shoe factory as well — but by the early 1890s he was looking for fresh fields of endeavor. He found them in Venezuela.³

However, the road to riches, like the course of true love, did not run smoothly for Grant and his fellow investors. The territory involved had already been granted to an earlier concessionaire, Cyrenius C. Fitzgerald, a New York engineer who had long resided in Venezuela. In 1883 Fitzgerald was granted a concession of some 15,000,000 acres of land around the Orinoco River, extending to "the limit of British Guiana" and including the great island of Pedernales, formed by two branches of the river's enormous delta. This was the Manoa Company, and among its stockholders were several prominent Venezuelan officials, including President Joaquín Crespo, the ministers of the interior and foreign affairs, the president of the Venezuelan senate, and the future president-dictator, Guzmán Blanco. Fitzgerald, however, held their proxies.⁴

In granting the concession, officials of the Crespo regime were delighted that foreign capital might help develop the resources that Venezuela itself could not, and they were doubtless also pleased at the prospect of possibly getting very rich. In addition, Venezuelan officials sought quite frankly to enlist American support in opposition to possible British encroachments along the border between British Guiana and Venezuela. The border had never been defined, and under an agreement of 1850 between the two nations both agreed not to occupy the territory under dispute. Thus, to extend the Manoa Company's concession to "the limit of British Guiana," as the terms of the grant provided, was to extend it to an unknown and nonexistent boundary. In fact, at least one-third of the company's acreage lay in the disputed area.⁵

The Manoa Company, however, had made little headway in its efforts to unlock the riches of the Orinoco, and not because the British caused it any trouble in the disputed area. Fitzgerald simply was unable to fulfill the conditions of the concession. After the first year, for example, he had "developed" one small sawmill, and the grass fiber he had thought suitable for making bank notes had gotten moldy on the long shipboard journey to a North American paper factory. Stockholders began to suspect that somebody had made off with their capital, and the Venezuelan government began to lose hope that Manoa's developers would involve the United States in some border incident with Great Britain. Neither in America nor in Venezuela was the Manoa Company's concession distinguished for probity in its financial dealings. In New York, board members appeared regularly to have absconded with whatever liquid assets they could get their hands on. In Venezuela, Fitzgerald leased pieces of his acreage



DONALD GRANT

to other speculators while the government, whose treasury was always empty, sold parts of the Manoa concession over again.⁶

In September, 1886, one George Turnbull of New York, bearing a letter of introduction from President Cleveland, went to the new Venezuelan president, Guzmán Blanco, and convinced him that Fitzgerald was not fulfilling his obligations and should have his concession revoked. In May, 1887, the Venezuelan Congress approved the revocation and handed the Manoa concession over to Turnbull. Perhaps Blanco concluded that Turnbull was closer than Fitzgerald to the seats of the mighty in America and might be more reliably counted upon to enlist the support of the United States

³Charles E. Flandrau, *Encyclopedia of Biography of Minnesota*, 1:447 (Chicago, 1900).

⁴"The Manoa-Orinoco Company," in *New York Post*, February 14, 1896, p. 3. This is the fourth of a five-part series.

⁵See maps in *Faribault Republican*, October 30, 1895, p. 2, *North American Review*, 160:656 (June, 1895), and *Harper's Weekly*, 39:254 (March 16, 1895).

⁶Charles G. Jackson, "The Manoa Company," in *Inter-American Economic Affairs*, Spring, 1960, p. 23. Jackson's account of this phase of Manoa's activities is based largely upon the *New York Post* series and the letter books of the Manoa Company. On efforts to involve the United States, see also "England and Venezuela," in *New York Sun*, November 3, 1895, sec. 3, p. 6, and LaFever, *The New Empire*, 243-44.

in any showdown with Great Britain. If so, he was disappointed because Turnbull did little more than his predecessor had. He sold various mining rights to other developers, and, far from proving a bastion against Great Britain, even leased a potentially valuable iron mine to a British firm.⁷

INTO THIS WELTER of conflicting claims, in 1895, plunged Donald Grant of Faribault. He was accompanied by his able legal adviser, Moses Clapp, former attorney general of Minnesota and future United States senator. Another presidential election in Venezuela had restored Joaquin Crespo as head of state, and part of the program of his new administration was a "re-evaluation" of all the concessions that had been made in the preceding years. Precisely what principles Crespo employed in this re-evaluation are shrouded in mystery, but early in the year he announced that Turnbull was out, Fitzgerald was back in, and the good work should at last proceed along the Orinoco. The Venezuelan cabinet and Congress confirmed the decision in June not long after Grant, Clapp, and a party of other interested persons from Minnesota had steamed into the eternal spring of Caracas on their first visit to Venezuela. The Manoa Company was reorganized and reborn as the Orinoco Company, and Donald Grant and his associates were the leading stockholders.⁸

The Orinoco Company's dreams of avarice were every bit as monumental as Cyrenius Fitzgerald had had ten years before. The corporation was capitalized at \$30,000,000, and its business and purposes, according to its articles of organization, included the conduct, promotion, and pursuit of "all lawful mercantile, trad-

ing, mining, smelting, quarrying, producing, lumbering, manufacturing, agricultural, mechanical, chemical, transportation, shipping, forwarding, commission and storage business. . . ." It included also "building and operating telegraph lines, and conducting all business of telegraphing in any way or manner; the establishment, maintenance and use of schools[:] the receiving, buying and leasing lands, rights, grants and concessions of foreign governments, and colonizing and developing the same. . . ."⁹ Sir Walter Raleigh sending his colony to Roanoke Island could have imagined no grander future than the first families of Faribault anticipated for themselves in Venezuela.

There was much in these fifteen million acres that conveyed an illusion of familiarity and encouraged investors to believe that what had been done in North America could now be continued in Venezuela. Donald Grant planned to construct railroads for his Orinoco Company as he had back home for the Great Northern.¹⁰ When members of his party discovered a mountain of iron ore assayed at from 67 to 70 per cent Bessemer and strategically situated only six miles from the Orinoco, they were convinced that getting ore out of Venezuela would be even easier than scooping it out of the Mesabi deposits in northern Minnesota.¹¹

The company would need colonists to settle in Venezuela as perhaps they had once homesteaded in Minnesota or North Dakota, and so it offered each settler forty acres of free land and forty acres adjoining at \$1.25 an acre.¹² The Venezuelan government charged the company with the task of "bringing within the law and civilization of the savage tribes which may wander within the territories conceded."¹³

There were, it is true, a few exotic touches: a lake of asphalt on the island of Pedernales, balata gum trees from which Grant hoped to develop an artificial rubber, and a climate quite unlike Minnesota's. But these only made the prospects more interesting and certainly were no cause for doubting that great fortunes would reward the ambitious. Occasionally someone expressed a nagging apprehension. "I could not understand," remarked one shareholder from the old Manoa Company after he had gotten out of the enterprise, "how we could go on getting rich down there . . . without ultimately exciting some dissatisfaction among the Venezuelan people. It always seemed to me that if our concession was as represented . . . , comprising the best part of the nation, the Venezuelan public would some day rise in rebellion and hang the president. . . ."¹⁴

Nothing of the sort seemed in the offing, however, as the Orinoco speculators returned to the United States in August, 1895, and began preparations for a colonizing and exploring expedition that would leave

⁷ Jackson, in *Inter-American Economic Affairs*, Spring, 1960, p. 37. The *New York Post* article of February 14, 1896, alleges that Turnbull bribed Blanco with stock in the company and does not mention any letter from President Cleveland. Jackson mentions such a letter without elaboration and without quoting from it.

⁸ Jackson, in *Inter-American Economic Affairs*, Spring, 1960, p. 38.

⁹ Articles of Organization of the Orinoco Mining Company, February 4, 1896, Register of Deeds office, La Crosse, Wisconsin. The name was changed to the Orinoco Company Limited in October, 1896.

¹⁰ *Faribault Republican*, July 31, 1895, p. 3; *Faribault Pilot*, August 1, 1895, p. 1.

¹¹ Extract from a letter from A. C. Rogers, president, reprinted in *Faribault Republican*, April 29, 1896, p. 3.

¹² *Faribault Republican*, December 16, 1896, p. 3.

¹³ *New York Post*, February 10, 1896, p. 7.

¹⁴ "The Manoa-Orinoco Company," in *New York Post*, February 7, 1896, p. 4. The *Post* identified the source as "one of these thoroughly disillusioned shareholders—a former president of the company, who now conducts a prosperous laundry establishment in Brooklyn."



CUSHMAN K. DAVIS

the following spring. To promote their venture, they went about addressing groups like the Young Men's Club of the Faribault Congregational Church, hoping to interest investors, adventurers, and/or colonists.

GRANT AND HIS ASSOCIATES had reason for growing optimism about the international complications of their enterprise. It is true that, since they had secured the old Manoa concession, the boundary dispute between Venezuela and Britain had become seriously inflamed, and Britain was now claiming territory that would allow it to control the mouth of the Orinoco River. But at long last the American government was showing strong interest in the Venezuelan scene. In his message of December, 1895, President Cleveland had taken the position that the matter must be settled — settled to the satisfaction of the United States — because American interests were at stake. Even better, Secretary of State Richard Olney had sent an official note of protest to Great Britain in July while Grant and Clapp were cruising the tributaries of the Orinoco. Venezuela, Olney claimed, was a "sister republic" of the United States and therefore deserved the protec-

tion of the Monroe Doctrine. Besides, Olney declared, the United States was "practically sovereign on this continent."¹⁵

The Orinoco investors had other reasons to be optimistic because they had friends in high places — some who sought even higher places. Congressman Joel P. Heatwole, who represented the district that included Faribault, successfully sought membership on the House Foreign Relations Committee, probably because, as one of his colleagues, Loren Fletcher, explained to a reporter of the *Minneapolis Times*, "Donald Grant, one of his [Heatwole's] constituents . . . and others in his district, are interested in Venezuela, and he thought he could best serve them by being on the committee of foreign relations."¹⁶

More important, Minnesota's senior senator, Cushman K. Davis, who believed that he had a chance to win the Republican nomination for president in 1896, had been deeply interested in the Venezuelan issue for at least several months. An acquaintance, John R. Chandler, had written the senator from Brooklyn, New York, that he was planning to go to Venezuela soon and that he had "lately received several documents from said country, relating to the boundary." He asked Davis for a letter of introduction to the United States minister at Caracas.¹⁷

Davis and Chandler met privately some three weeks later, following which Chandler wrote: "After our communication the other night at the Holland [Holland House in New York], I decided to make my trip to Venezuela as soon as possible, so will sail per steamer of 14th inst. I'll probably know more of that country and the question on my return." Davis evidently furnished a letter of introduction, for Chandler wrote, "I beg to thank you for enclosure," two days after making a second request for such a letter.¹⁸

Throughout his career in the Senate, Davis had advocated a vigorous, expansionist American foreign policy, and he had often criticized the restraint of the Cleveland administration. But at least two New York

¹⁵ On the Olney and Cleveland messages, see Perkins, *Monroe Doctrine*, 149-68 and 189-92, and LaFeber, *The New Empire*, 259-70.

¹⁶ *Minneapolis Times*, December 23, 1895, p. 1. Part of this interview was reprinted in *Faribault Republican*, December 25, 1895, p. 2.

¹⁷ Chandler to Davis, October 18, 1895, Cushman Kellogg Davis Papers (hereafter cited as Davis Papers), in the Minnesota Historical Society. For an account of Davis' presidential aspirations, see Kent Kreuter and Gretchen Kreuter, "The Presidency or Nothing: Cushman K. Davis and the Campaign of 1896," in *Minnesota History*, 41:301-16 (Fall, 1969).

¹⁸ Chandler to Davis, November 5, 1895, and November 7, 1895, Davis Papers.

newspapers said that the senator's interest in the Venezuelan boundary dispute had something to do with the Orinoco Company, either directly or indirectly. The *New York World*, for example, reported: "A great many of Senator Davis's constituents are interested in this company. . . ." Moreover, said the *World*, "a person claiming to be an agent of this company recently appeared in Venezuela bearing a letter of introduction from Senator Davis." Was this John Chandler? It seems probable, although whatever letters passed between Chandler and Davis after the former reached Caracas no longer exist. They were either lost in transit or, more likely, destroyed by Davis or his heirs.¹⁹

In December, 1895, the *New York Post* quoted one Thomas G. Shearman as follows: "It is very well known in Minneapolis . . . that . . . a Minnesota syndicate has been started, which has obtained concessions" and has stimulated war feeling. The concessionaires were alleged to be counting on "very strong political backing," including that of Davis "who is one of the stockholders in the company."²⁰

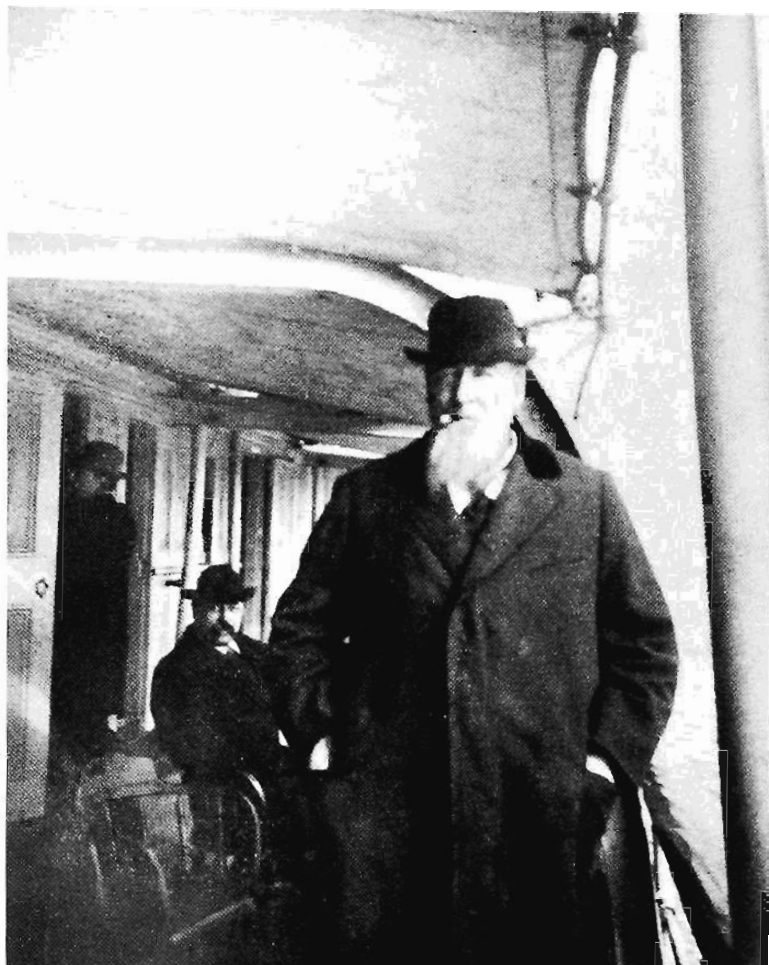
Davis ignored the charge for more than a month. In January, 1896, he sought to deal with the Venezuelan dispute by introducing in the Senate his own resolution designed to make the Monroe Doctrine a more powerful and imperial instrument of American foreign policy than even Secretary of State Olney had recommended. The doctrine had initially declared this hemisphere closed to further colonization, but Davis would have it given legislative sanction and expanded to forbid any European country from acquiring any territory

¹⁹ "Jingoism for Revenue," in *New York World*, January 21, 1896, p. 6. On the same day the *Minneapolis Journal* reprinted the full editorial on its front page without comment. The only extant letter from Chandler from Latin America is that of June 2, 1896, from Guatemala. It refers to previous letters not answered. The Davis collection has obviously been weeded out so that much of what remains consists of letters praising his speeches or seeking political patronage.

²⁰ "More Commercial Reasons for War Talk," in *New York Post*, December 28, 1895, p. 1.

²¹ The speech is reported, for example, in *New York World*, January 18, 1896, p. 1. The Henry A. Castle Papers, in the Minnesota Historical Society, contain clippings of this story and of many newspaper reactions to the Davis resolution.

²² *New York Times*, December 29, 1895, p. 19. Several months earlier, on September 4, 1895, Colonial Secretary Joseph Chamberlain had written to Prime Minister Lord Salisbury: "It appears that there is a very rich territory close to and probably over the Schomburgk boundary [surveyor Robert Schomburgk mapped the western limits of British Guiana in 1841]. I am trying to get it developed and am in communication with firms in the city about it." This is quoted in John A. S. Grenville, *Lord Salisbury and Foreign Policy: The Close of the Nineteenth Century*, 62 (London, 1964).



ON BOARD THE BOAT that took them on their first expedition to Venezuela are Donald Grant, foreground, and, seated behind him, Moses Clapp.

in the Western Hemisphere, even by purchase or concession.

He sought to have the doctrine apply also to "any island" lying off the South American mainland²¹ — a reference perhaps to Trinidad, where Britain had revealed some recent interest, or (one is tempted to speculate) to the asphalt-rich island of Pedernales, whose status was unclear after the series of moves that had sent the Manoa-Orinoco concession from Fitzgerald to Turnbull to Grant. The proposed ban on "purchase or concession" was probably a response to reports that British Guiana had recently granted concessions to British enterprise in the disputed area.²²

On January 23, 1896, the *New York Herald* published a telegram it had received from Davis the day before from Washington, D.C.: "The charge that I am or ever was interested in the Orinoco or any other claim in Venezuela is absolutely untrue in every particular. It is purely and simply a fabrication." Neither *The Nation* nor the *New York Post*, which blamed the boundary dispute chiefly upon the economic interests

of American concessionaires, were able to link Davis any more directly with the Orinoco Company.²³ They doubtless would have been delighted to do so. We shall probably never know whether Davis was a stockholder, for the records of the transactions no longer exist. But that he was a stockholder certainly is plausible. For many years he had invested in just such speculations in Minnesota and elsewhere. Townsites, timberlands, and iron mines had all absorbed his capital from time to time.²⁴

In fact, Davis' position on the Venezuelan question was probably not dependent upon whether or not he was a stockholder in the Orinoco Company. Some of his constituents were stockholders, and some — Grant and Clapp in particular — were persons of considerable importance in Minnesota Republican party circles. Davis would need their support if his presidential ambitions were to stand any chance whatsoever. One way of getting it was to come out with a vigorous defense of the Monroe Doctrine and of American rights in Venezuela.²⁵

The Davis resolution was never passed, partly because its sweeping character frightened many people, but mostly because the crisis abated only a few days after the senator delivered his speech. On January 25, 1896, Colonial Secretary Joseph Chamberlain declared that war between the United States and England would be absurd, and Prime Minister Salisbury told the House of Lords that America's concern for what happened in Venezuela was just as natural as England's interest in Holland and Belgium. The issue would be submitted to arbitration, as the United States had requested.²⁶

Some Americans were bothered that the United States had invoked the Monroe Doctrine under circumstances never contemplated by President Monroe or his secretary of state, John Quincy Adams. The *New York Advertiser*, for example, expressed dismay that the United States had rushed to the brink of war with Britain "to guarantee a title for a company of speculators." The newspaper concluded: "The Monroe Doctrine is too sacred a thing to be turned over to the use of land grabbers."²⁷

No such misgivings troubled the opinion-makers of Faribault or the investors of the Orinoco Company. The *Faribault Republican* simply called the *Advertiser* and other New York newspapers "Anglomaniac" and claimed that the boundary dispute had "deeper significance" than New Yorkers could understand. The Democratic *Faribault Pilot* likewise praised the Cleveland administration's policy, which it saw as combining two salutary ends: keeping the country out of foreign entanglements and upholding the Monroe Doctrine. Faribault's own self-styled dean of international law,

Patrick Cudmore, who regularly shared his thoughts on the issues of the day with the great and near-great, assured his neighbors—with many quotes from Emerich de Vattel's *The Law of Nations*—that Cleveland's and Olney's interpretation of the Monroe Doctrine had been absolutely correct.²⁸

People connected with the company, far from being embarrassed at the association of the "sacred Doctrine" with their interests, were delighted with the Cleveland administration's stand and thought it high time the nation's diplomatic energies were enlisted on their behalf. John A. Bowman, the St. Paul lawyer who had been president of the Manoa Company and who now was a stockholder of the Orinoco Company, was said by the *New York Post* to have declared "that one of the chief considerations in our Venezuelan contention is the obligation of the United States government to afford protection to its citizens who have vested rights in the disputed territory."²⁹

Still hoping for riches, old Cyrenius C. Fitzgerald, though only a small stockholder in the reorganized company, sighed with relief, ". . . thanks to the attitude of President Cleveland it will now be possible to do business under the American flag in Venezuela without fear of future encroachment." *Under the American flag?* — *The Nation* whooped with cynical delight. Had the area already been annexed to the United States

²³ The *Post* claimed, in fact, that the original grant to the Manoa Company in 1883 had caused the flare-up of the dispute because it had been the first violation of the agreement between Britain and Venezuela not to occupy the contested territory. See "The Manoa Company," in *New York Post*, December 26, 1895.

²⁴ The Davis Papers for the 1890s contain many references to speculative interests of Davis.

²⁵ It is well, in this regard, to keep in mind the words of David Hackett Fisher, the conscience of us all, in regard to human motivation (*Historians' Fallacies*, 214, New York, 1970): "In the realm of consciousness, a man who does something does it for every reason he can think of, and for a few unthinkable reasons as well."

²⁶ For an explanation of the reasons for the softening of the British government's attitudes, see Bradford Perkins, *The Great Rapprochement, England and the United States, 1895-1914*, 13-20 (New York, 1968).

²⁷ Quoted in *Faribault Republican*, January 15, 1896, p. 2.

²⁸ *Faribault Republican*, January 15, 1896, p. 2; *Faribault Pilot*, December 5, 1895, p. 4. See Cudmore letter to *Faribault Republican*, January 8, 1896, p. 4. Cudmore wrote and privately published his thoughts on a variety of subjects dealing with foreign policy. He urged upon Senator Davis his little volume, *Buchanan's Conspiracy, Nicaragua Canal and Reciprocity*. See a printed flier from Cudmore in the Davis Papers for 1896. Among other things, Cudmore believed that it should be illegal to teach free trade in American schools.

²⁹ *New York Post*, February 15, 1896, p. 3.

"by the determined action of President Cleveland and in virtue of Mr. Olney's views of the 'sovereignty' of this country on the American continent[?]" Then surely Mr. Fitzgerald would be one of the first senators from the new state of Manoa.³⁰

SUCH SARCASM had little effect upon the enthusiasm of persons joining in the expedition that, in the spring of 1896, was being organized by the Orinoco Company. Chiefly an exploration party, the group included scientists from the University of Minnesota as well as engineers, carpenters, and a blacksmith. By June the company claimed that 250 employees were actively at work in Venezuela with such projects as building a railroad, constructing a plant for extracting an artificial rubber from the balata tree, and mining a little gold — not in the disputed area, it was said — and a little iron ore.³¹

Dr. A. C. Rogers, for eleven years head of the School for the Feeble-Minded and Epileptic in Faribault and now president of the Orinoco Company, was the leader of the expedition. Rogers sent back reports that were brimming with optimism. The Venezuelan government was extremely friendly, he said, the resources were every bit as bountiful as described, and the climate was pleasant: cooling breezes swept in from the ocean, and even at noon the temperature was not as high as in midsummer in Faribault. He did not mention that it was winter in Venezuela, but he did admit that white men would have to pace themselves until they became accustomed even to this salubrious climate and that the heaviest work would undoubtedly have to be performed by native labor.³² The dizzying profits were still in the future, but no one doubted that they would soon be realized. As the official prospectus of the Orinoco Company observed of the agricultural possibilities alone,

³⁰ Letter to *New York Post*, December 28, 1895, p. 19; "The Manoa Company," in *The Nation*, 62:6 (January 2, 1896).

³¹ *Faribault Republican*, February 26, p. 3, March 4, p. 3, April 29, p. 2 (quoting from L. O. Dart letter published in *Minneapolis Journal*, April 23, 1896, p. 2). May 6, p. 3, July 1, p. 3, and July 15, 1896, p. 3.

³² *Faribault Republican*, August 4, 1896, p. 3; *Faribault Democrat*, August 7, 1896, p. 3.

³³ Prospectus of the Orinoco Company Limited, January 20, 1897, p. 10, on deposit in Rice County Historical Society, Faribault.

³⁴ Letter from M. L. Dungay published in *Faribault Republican*, March 24, 1897, p. 2.

³⁵ "Gophers on the Orinoco" (excerpts from a letter from John A. Bowman), in *St. Paul Pioneer Press*, May 23, 1897, p. 5, and republished in *Faribault Republican*, June 2, 1897, p. 1; *Faribault Republican*, February 17, p. 3 (New England quote), May 26, p. 1, and September 15, 1897, p. 1.

³⁶ *Faribault Republican*, April 28, 1897, p. 2.

"Cotton, sugar, cocoa or chocolate, spices, tobacco, tropical fruits of every description, plantains, fibre plants, etc., yield abundant harvests, even with the little attention given by the shiftless peons." The lesson was clear: "What might be done if brains, energy and modern labor-saving machinery should add scientific cultivation to the favoring conditions of soil and climate, no one can tell until the experiment shall be tried — and it has never yet been tried in Venezuela."³³

The time had come to try. In February, 1897, a shipload of settlers and supplies departed from New York harbor, pledged to establish a new community — Faribault, Venezuela — in the equatorial jungles. At first the voyage went well. A day out of New York, the ship entered the Gulf Stream, and the passengers watched as sailors swept away the water left on deck from the melting ice of a northern winter. The travelers changed to a smaller river-going vessel at Curaçao, and from then on they were considerably less comfortable. As the *Mayflower* was buffeted by heavy seas around Cape Cod in 1620, the little ship with Minnesotans aboard was driven back again and again by storms as it tried to sail the gulf between Trinidad and the Venezuelan mainland, seeking the entrance to the Orinoco. The passengers, perhaps lacking the religious devotion that had stiffened the Pilgrim fathers in such circumstances, grew restive. They complained about the cooking — too much garlic — and endured with difficulty the recitations of Shakespeare and Milton that Judge George N. Baxter declaimed to while away the empty hours.³⁴

At last they landed at Santa Catalina on the Orinoco River, where a dock and a camp had been established by the exploring expedition the year before. John A. Bowman was there to meet them. He was delighted, he said jovially, to see at last "gophers on the Orinoco." Before leaving home, the group had promised that "among the first buildings that will be erected, following out the example of the early New England colonists, will be a church and school house." Once on the scene, however, they seemed to think a hotel more practical, and construction was begun at once.³⁵

The colonists were grateful to be ashore after thirty-one days at sea, and they sent encouraging letters to their friends and families in Minnesota. "Don't pity us any more," Clara [Mrs. H. O.] Clement wrote, "as we are all perfectly happy and contented." The mosquitoes, she claimed, were "not as bad as they are out at the lakes at home," and the few small lizards that scuttled along the riverbanks quickly went into hiding at her approach. She had been warned about venomous snakes, but she saw only one from a safe distance.³⁶

The newcomers were dazzled by the abundance and prodigality of life: ducks rose in dense clouds from the

Orinoco, and men blazed away at them with their rifles until pyramids of dead waterfowl were stacked on the riverbank. Snowy egrets abounded, and they also were brought to earth—for profit as well as sport. Their majestic plumage, much favored for ladies' fans and millinery at home, was worth nearly its weight in gold. Crops that were planted grew rapidly. Charles F. Baxter wrote to his neighbors in Faribault: "I had two coolies [were these the "shiftless peons" of earlier descriptions?] putting in corn last week," and within twenty-four hours it had sprouted. This land, he was sure, "where the savage Indian once trod, will 'bloom and blossom as the rose.'" ³⁷

John A. Bowman wrote home that "the Minnesota people here now are making the history of this generation for this magnificent republic, which England's hands must not trifle with." He added the latter lest Americans forget the British menace at their doorstep. S. A. Thompson, former secretary of the Duluth Chamber of Commerce, who had been in Venezuela the year before and was now in Minnesota promoting the enterprise, looked forward to the "time when the names of Grant, Rogers, Baxter and Clement will be commemorated as standing high among those who have conferred great benefits upon the country." ³⁸

By August, however, some whose names were supposed to echo down the ages were returning to Faribault. H. O. Clement came back under a doctor's care, with strict orders to rest and recuperate. Samuel Grant, the son of leader Donald Grant, arrived with a flock of tropical birds—wild turkeys, parrots, parakeets, and songbirds—and two natives from Trinidad to care for them. The songbirds, alas, did not survive the change in latitude. We do not know what happened to the natives. A few months later William H. Grant, a cousin of Donald, came home suffering from malarial fever but accompanied by a talking parrot, a monkey, and his wife, who wore a bonnet made from the entire skin of an egret, its head and plumage intact. Publicly, at least, the participants' enthusiasm for the possibilities of the Orinoco concession was undiminished. "Give us more people who are willing to work for a living and for a while forego the frills and fumadiddles of city life," wrote Charles F. Baxter, "and we will have found the Eldorado which Ponce de Leon longed and looked for and Sir Walter Raleigh found in fact." But except for the tropical fauna and some gold samples that were placed on display in the office of the Orinoco Company in the Faribault Opera House block, they seemed to have little to show for their efforts. ³⁹

THEN, during a period of internal disorders in Venezuela in April, 1898, Joaquin Crespo was slain in battle, and the Orinoco Company's dreams began to drift be-

yond reach. The internal disorders surprised no one, because the nation had been in almost constant turmoil from the very day it won its independence. Although Secretary of State Olney had called Venezuela a "sister republic" in 1895, he had in subsequent negotiations treated it as one might a sister who kept a disorderly house. In some ways the country was just that. In 1896 *The Nation* had drily summarized Venezuela's history of "republicanism" as, in truth, alternating periods of anarchy and dictatorship. ⁴⁰

The Orinoco Company did not mind the dictatorships, and Donald Grant and his friends had good reason to be especially fond of Crespo. Their company, after all, had sprung full-blown from his re-evaluations. Cyrenius Fitzgerald said of him at the time of the boundary dispute: "President Crespo . . . is a strong, high-minded gentleman, of unimpeachable personal character, a self-made man, the kind of man who would be appreciated in any country, particularly [the United States]." As for the government Crespo ran, "It possesses many virtues which could be profitably acquired by our own great nation. . . . They have no Populists and free-silver cranks, and have no difficulty in maintaining a solid gold basis." ⁴¹ Now Crespo was dead, and a period of anarchy seemed likely to set in.

In the decades before his death, both American capitalists and Venezuelan officials had shown monumental indifference to the long-range implications of their economic activities. Foreign concessions crisscrossed Venezuela by the late 1890s: the Crespo regime had sold rights for the development of telephones, telegraphs, roads, railroads, iron mines, banking syndicates, and distilleries, and it had been only marginally interested in whether investors could actually deliver on their promises. The investors, for their part, had not worried very much about whether the Venezuelan government could long guarantee the validity or the integrity of the grants. ⁴²

³⁷ Letter from Charles F. Baxter, *Minneapolis Journal*, June 23, 1897, p. 9. This was reprinted in *Faribault Republican*, July 7, 1897, p. 1.

³⁸ Bowman in *St. Paul Pioneer Press*, May 23, 1897, p. 5, and *Faribault Republican*, June 2, 1897, p. 1. S. A. Thompson gave a lecture reported in *Faribault Republican*, March 3, 1897, p. 2.

³⁹ *Faribault Republican*, August 11, 1897, p. 3, May 11, 1898, p. 5; *Minneapolis Journal*, June 23, 1897, p. 9 (Baxter quote), reprinted in *Faribault Republican*, July 7, 1897, p. 1.

⁴⁰ "Venezuela as a Sister Republic," in *The Nation*, 62:5 (January 2, 1896).

⁴¹ Fitzgerald letter to *New York Post*, December 28, 1895, p. 19.

⁴² The *New York Times* reported some of these concessions. See, for example, August 9, 1896, p. 16, and August 6, p. 6, August 7, p. 2, and August 22, 1897, p. 6.

The United States government had offered no cautionary advice to its own nationals who found Venezuelan investment attractive. But the Cleveland administration's drumbeating over the boundary dispute, and Senator Davis' strong speeches opposing foreign encroachments in Latin America, had suggested to the stockholders of the Orinoco Company that the government would protect their investment. Cleveland, Olney, and Davis had, both implicitly and explicitly, said that the American government was concerned only with the maintenance of the Monroe Doctrine — but the stockholders did not really believe that.

Perhaps Grant had had some intimations of possible difficulties ahead, perhaps he had simply found that his plans were unrealistic, or perhaps he wanted to enlist the support of others in the event of future international complications. In any case, he had begun selling and leasing pieces of the Orinoco's territory in 1897. A French syndicate purchased the gold concession for a cash payment, and a British group received the right to open up iron mines shortly afterward. Two years later a syndicate of New York and London investors arranged the purchase of a controlling interest in the Orinoco Company. The company's business would henceforth be transacted from the group's Wall Street office in New York, but the Faribault stockholders, it was said, retained sufficient stock to ensure an "active interest in the management and operations of the Company" and representation on the board of directors.⁴³

The Faribault investors had picked a good time to share — or unload — their Venezuelan opportunity: a new leader had finally emerged from the chaos of the country's politics. He was Cipriano Castro; and, on the heels of the arbitration commission's final decision regarding the boundary dispute between British Guiana and Venezuela, he announced that the concession of the Orinoco Company had been annulled for nonexecution. All foreign concessions, in fact, were placed in question. A Faribault paper said all foreigners would be expelled from the country.⁴⁴

There was still a great deal of Faribault money at stake in Venezuela, and the first response to the annulment was disbelief. George Baxter, who was now the chief attorney for the Orinoco Company, said that they would all just ignore the expulsion order and go on about their business. They were carrying out the terms of their contract, he said, and the company had 200 people at work in the colony at Santa Catalina, so there was nothing to fear.⁴⁵

Two weeks later, he was less confident. Anxiously, he went to talk to the American minister to Venezuela, F. L. Loomis, at the latter's home in Springfield, Ohio. Surely something would be done by the United States government to protect its citizens and their money, Baxter said. Loomis was not particularly encouraging. He explained that the legation had not acted because the dispute had to do with the "construction of a contract" and the United States could do nothing "until a denial of justice in the courts of that country has taken place." The Venezuelan position, said Baxter, had nothing to do with justice. It was caused simply by greed and jealousy on the part of native businessmen.⁴⁶

Loomis' insistence that the United States must keep hands off did not mean that it must be invisible. Six months before, while the various local insurgent groups were fighting for control of the Venezuelan government, Loomis had asked for and received an American war vessel with which he went up the Orinoco where "the United States unfurled the flag in regions hitherto almost unexplored." The *New York Journal*, which reported the journey, explained that "the many questions put to the American Legation concerning its [the Orinoco region's] business possibilities" had led Loomis to sponsor the trip, so that interested parties all might see the economic opportunities for themselves. They had, of course, steamed past the Faribault colony at Santa Catalina, still chiefly a hotel, rather than a city, upon a hill.⁴⁷

Early in 1901 the circumstances for American concessionaires steadily worsened, and the involvement of the United States government increased. Castro had annulled the asphalt mining concession of the New York and Bermúdez Company, which now was affiliated with the Orinoco, and the United States navy sent two training ships and a gunboat to stay in the harbor at La Guayra, the port of Caracas, Venezuela's capital, when it appeared that fighting might break out between employees of the company and Venezuelan troops. By spring the American minister was becoming outspoken in his criticism of the Castro regime's policies toward foreigners in general and Americans in particular, and by June the United States chargé d'affaires in Caracas had been directed to inform the Venezuelan government that the American government unreservedly en-

⁴³ *Faribault Republican*, November 24, p. 5, December 1, 1897, p. 5; "The Orinoco Mines," in *Minneapolis Journal*, December 11, 1897, p. 8, reprinted in *Faribault Republican*, December 22, 1897, p. 6.

⁴⁴ *Faribault Democrat*, October 19, 1900, p. 3.

⁴⁵ *Faribault Republican*, October 17, 1900, p. 3. A granddaughter of one of the stockholders writes of her grandfather: "This had investment was costly to him and after losing his many farms he died in Hastings sanitorium. . . . I remember the stock certificates very well because we all laughed so at our hopes of a fortune waiting for us all in Venezuela." (Luona M. Bauer to author, January 31, 1973.)

⁴⁶ *Faribault Republican*, October 17, 1900, p. 3.

⁴⁷ "Wonders of the Orinoco," *New York Journal* article reprinted in *Faribault Republican*, April 5, 1899, p. 1.

dorsed the attitudes and actions of its members.⁴⁸

The issue was complicated by the fact that the United States was not the only country whose nationals were threatened with the loss of life, limb, or investment capital by Castro's decision to expel foreigners from Venezuela. Even before the death of Crespo, Venezuela had had a severe conflict with Germany over financial obligations that the Venezuelan treasury was loathe to pay. And in Faribault the local newspapers had expressed hope that Crespo, "through an honest and able administration," would be able to repulse the German claims and avoid becoming prey to German supervision as Egypt had become subject to Britain.⁴⁹

Now, in October, 1901, after Castro had announced that the new government would not consider debts contracted before 1899, Germany severed diplomatic relations with Venezuela, and within the next year practically all the European powers whose nationals were creditors of Venezuela also severed relations. All the countries, the United States included, agreed that they would not acknowledge the Venezuelan courts as fit tribunals to adjudicate claims involving the rights of foreigners.⁵⁰

TWO WEEKS before he became president in September, 1901, as the result of the assassination of William McKinley, Theodore Roosevelt had delivered a speech at the Minnesota State Fair and assured his audience that America did not want to exclude European powers from all relationships in Latin America, but that the United States would never allow Europe to engage in *any* form of "territorial aggrandizement" there. This sounded like the old Davis resolution and must have been comforting to the Orinoco Company. Roosevelt had also spoken warmly of the kind of activity the company represented: "It is vain to tell a people as masterful as ours that the spirit of enterprise is not safe. The true American has never feared to run risks when the prize to be won was of sufficient value."⁵¹

In December, 1901, Germany and Britain proclaimed an official blockade of Venezuela, and Germany informed Roosevelt that, to collect debts due its nationals, it might have to occupy Venezuelan territory temporarily. Roosevelt prepared the navy for action. He sent Commander John E. Pillsbury to find out what the German navy was doing off the coast of Venezuela, asked Congress for money to finance a mobilization of the United States Caribbean fleet, and had secret plans prepared for American landings and for defending the Venezuelan coast against possible German invasion. In November, 1902, Admiral George Dewey, who had agreed to command the Caribbean fleet during its mobilization, was told to be ready to move his ships at a moment's notice.⁵²

In December, 1902, the crisis mounted. Britain and Germany issued an ultimatum to Venezuela demanding payment of its debts. Payment was impossible: Castro's government was extremely shaky, and he was still fighting revolutionary and insurgent groups within his country. He lacked money enough even to pay his army. So German ships seized or sank Venezuelan gunboats, landed troops at La Guayra, and bombarded Puerto Cabello. George Dewey, a four-star admiral on a gunboat, steamed around the Caribbean "in training." The *Faribault Republican* correctly noted that "the United States does not intend to be ignored in the melee."⁵³

Venezuela decided it would be in favor of arbitration. In January, 1903, the foreign blockade was lifted, and a series of protocols was signed providing for the adjudication of each country's claims. The crisis was over, Castro was still in power, and the Orinoco Company began to prepare its case to submit to the arbitration tribunal. In July, 1903, George Baxter sailed for Caracas.⁵⁴

The case, as usual, was complicated. George Turn-

⁴⁸ *Faribault Republican*, January 2, p. 2, January 9, p. 2, January 16, 1901, p. 3; Department of State, *Papers Relating to the Foreign Relations of the United States*, 1901, p. 541-52. Venezuela protested the presence of United States naval vessels as contrary to Venezuelan law. The United States ambassador explained to Secretary of State John Hay that the United States legation "does not own a set of the laws of Venezuela" (p. 544).

⁴⁹ *Faribault Republican*, December 22, 1897, p. 2 (quoting the *Winona Republican*).

⁵⁰ P. F. Fenton, "Diplomatic Relations of the United States and Venezuela," in *Hispanic-American Historical Review*, 8:335 (Fall, 1928); *Faribault Republican*, April 24, 1901, p. 2.

⁵¹ Howard K. Beale, *Theodore Roosevelt and the Rise of America to World Power*, 405 (Baltimore, 1956); *Faribault Republican*, September 18, 1901, p. 2. The complete text of Roosevelt's speech appeared in *Minneapolis Journal*, September 2, 1901, p. 16 (quote).

⁵² Beale, *Roosevelt*, 416-17. Roosevelt later claimed he had threatened Kaiser Wilhelm with war in order to force Germany to arbitrate its claims against Venezuela. Whether the president did or did not do this has been the subject of considerable historiographical controversy. See Beale, *Roosevelt*, 394-428.

⁵³ *Faribault Republican*, December 17, 1902, p. 2 ("melee" quote). This paper expected Castro to topple at any moment; see its issues of April 9, 1902, p. 2 ("Castro Is Hard Up"), June 18, 1902, p. 2 ("Warship to Venezuela"), and December 31, 1902, p. 2 ("President Roosevelt Will Not Be Arbitrator").

It is possible that the United States wanted Castro to be overthrown. Andrew Carnegie offered to pay Venezuela's debts to abate the crisis (*Faribault Republican*, February 18, 1903, p. 2), and various American banking groups offered to lend Castro the money. The United States minister turned down the offers. See Dexter Perkins, *Monroe Doctrine*, 334.



PRESIDENT
JOAQUIN
CRESCO



PRESIDENT
CIPRIANO
CASTRO

bull materialized to urge his prior claim, and so did some Manoa Company stockholders who had been left out of the reorganization of eight years before. But after many months of litigation and a visit to the State Department to explain the whole matter, Baxter and the Orinoco Company won. Their concession was upheld.⁵³

But it was a hollow victory. Within a month after Baxter returned to Faribault to reopen his law office, the Federal Court of Venezuela began a suit against the Orinoco Company. When the company tried to send goods and equipment to its colony at Santa Catalina, the Venezuelan government raised huge tariffs

against the shipments or claimed that the goods were of inferior quality and therefore could not be landed. Parts of the concession were, as in earlier years, promised to others.⁵⁴

As the harassment dragged on, the Orinoco Company beseeched the United States State Department to take action on its behalf. It urged the government to send instructions to the United States minister at Caracas, requesting that a customhouse be established on the Orinoco's concession, that other concessions in the same area be annulled, and that its own title be confirmed once and for all. No such instructions were ever sent, but President Roosevelt dispatched a representative to Venezuela and, according to one historian, contemplated sending a military force. In 1906 he asked the general staff to work out a plan of campaign against Venezuela.⁵⁵

Then, in 1907, Secretary of State Elihu Root sent a message to Minister William W. Russell at Caracas: "You are instructed to bring these cases again to the attention of the Government of Venezuela." We have been friends with Venezuela, said Root, and still it causes us trouble and "has within the past few years practically confiscated or destroyed all the substantial property interests of Americans in that country." The Orinoco Company, Root continued, has had its claims upheld by international tribunal and by a Venezuelan court, but still the executive gives the same concession away again and again. The Venezuelan government should agree to submit the issue to The Hague Permanent Court of Arbitration.⁵⁶

⁵³ Fenton, in *Hispanic-American Historical Review*, 8:335; Beale, *Roosevelt*, 397-98; *Faribault Republican*, July 15, 1903, p. 3.

⁵⁴ *St. Paul Dispatch*, January 14, 1904, p. 1; *Faribault Republican*, January 20, 1904, p. 3 (quoting the *St. Paul Dispatch*), May 4, 1904, p. 3; Jackson in *Inter-American Economic Affairs*, Spring, 1960, p. 44.

⁵⁵ Jackson, in *Inter-American Economic Affairs*, Spring, 1960, p. 43-4; "Correspondence Relating to Wrongs Done American Citizens by the Government of Venezuela," 60 Congress, 1 session, *Senate Documents*, no. 413, p. 45 (serial 5257).

⁵⁶ 60 Congress, 1 session, *Senate Documents*, no. 413, p. 48-51 (serial 5257); Beale, *Roosevelt*, 405-06. Beale does not mention the Orinoco Company but in a footnote speaks in general terms of Roosevelt "still having serious trouble with Castro."

⁵⁷ Root to Russell, February 28, 1907, in 60 Congress, 1 session, *Senate Documents*, no. 413, p. 559 (quotes), 563-65 (serial 5257).

The Castro regime was unmoved. In April, 1907, the Venezuelan high court again rejected the Orinoco's claims. This was the final indignity. The United States cruiser "Tacoma" was sent to La Guayra, and the naval appropriations bill that requested two more battleships went to the Senate floor for debate. An old friend of the Orinoco Company was in the Senate. Cushman K. Davis, who in 1896 had so stridently upheld American rights in Venezuela, was dead, and his seat was occupied by Moses Clapp, the first attorney for the Orinoco Company. But if George Baxter and Donald Grant had hoped that Clapp would advocate strong action in their behalf, they were sorely disappointed. The senator wanted no more battleships to defend American interests. We cannot put wealth in our coffers, he declared, by threatening war. Who would want to emulate Great Britain? he asked. Its empire is great, but it is impoverished at home.⁵⁹

In June, 1907, the United States severed diplomatic relations with Venezuela, and before the year was out President Castro decided that he needed to take a trip to Europe for his health. To no one's surprise, probably least of all his, revolution broke out immediately. "As Castro left the scene," said *The Nation*, "exiled generals began to return, and asphalt concessionaires hovered in the wings. The battleship *Maine*, followed by the cruisers, sailed from our shores almost before the curtain went up in Carácas." Roosevelt had avoided war, thanks in large measure to Elihu Root's advice that there was little sympathy in the United States for so strong an action. How much better to let Castro escape with his ill-gotten gains and then hope to deal more profitably with his successor, Juan Vicente Gómez. (When Castro tried to return to Venezuela in the spring

of 1909, ships and officers of the United States navy refused to permit it. Castro's successor promised "a settlement of all outstanding international questions," possible only if the former dictator were kept away.)⁶⁰

Good news was not long in coming. In mid-February, 1909, a protocol of agreement was signed at Caracas, providing that the Orinoco claims should be submitted to arbitration at The Hague. Clearly President Gómez was a more reasonable man than his predecessor. He even restored the asphalt concession of the New York and Bermúdez Company on the spot, levying only a \$60,000 fine for the company's activities in trying to overthrow Castro several years before.⁶¹

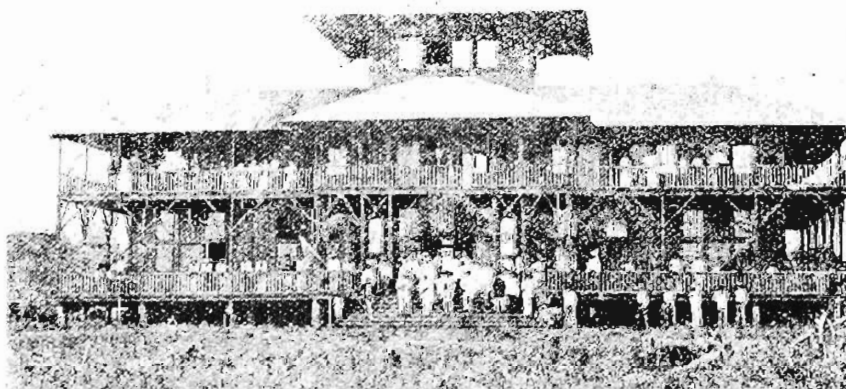
As *The Nation* reflected upon the course of events, it concluded: "The very conditions that made Castro's long reign possible were an indictment of the methods pursued by foreigners in Venezuela. It is scarcely conceivable that the country would have remained so long

⁵⁹ *Congressional Record*, 60 Congress, 1 session, p. 5272-75. Clapp made his "Naval Appropriations Bill" speech on April 27, 1908.

⁶⁰ The role of the Orinoco Company's grievances in the United States' decision to sever diplomatic relations is set forth in Department of State, *Papers Relating to the Foreign Relations of the United States*, 1908, p. 778-80; "A Nicely-Timed Revolution," in *The Nation*, 87:645 (quote) (December 31, 1908); J. Fred Rippy and Clyde E. Hewitt, "Cipriano Castro, 'Man without a country,'" in *American Historical Review*, October, 1949, especially p. 38-9 (Gómez quote).

⁶¹ Department of State, *Papers Relating to the Foreign Relations of the United States*, 1909, p. 626-29. Some of the New York and Bermúdez Company's involvement is revealed in Department of State, *Papers Relating to the Foreign Relations of the United States*, 1902, p. 1058-67.

THE FARIBAULT COLONY built the hotel (below) at Santa Catalina, Venezuela. At right are members of the colony at work on a sawmill.



in a state of comparative content under the rule of a despot and a grafter, if Castro had not also played the rôle of champion of Venezuela against foreign exploitation." His tyrannies and embezzlements were easier for the Venezuelan people to bear because their odium was mitigated by his antforeign actions.⁶²

The happy ending, however, had come too late for the Orinoco Company. Its treasury emptied by endless litigation, its employees disheartened and drifting away, the corporation abandoned its hopes of getting its lands restored and contented itself with a monetary settlement. Even that was not sufficient to save the company from bankruptcy or to prevent the stockholders from continuing to quarrel among themselves over the amount each should receive from the settlement. But the Orinoco Company's fifteen-year role in American-Venezuelan relations was over.⁶³

Some of the original investors escaped the collapse of the Orinoco Company with only minor injuries. Donald Grant, for example, had become interested in lumbering in British Columbia and invested in a sawmill there. He also learned of copper mines and irrigation projects in Arizona and had become one of the incorporators and president of the Conconino Copper Company, with offices in Chicago and Jersey City, New Jersey. It was said later that he had lost \$100,000 in Venezuela trying to get his balata extraction plant

started and his railroads built, but whatever his losses, they had not crippled him financially.⁶⁴

A. C. Rogers went back to the School for the Feeble-Minded, where he completed his career without any further foreign adventures. George Baxter worked unsuccessfully for another twenty years to recover more of their investment.⁶⁵ Only Thomas B. Clement, who had been treasurer of the company, came to an unsavory end. He returned to the First National Bank of Faribault and in 1905 was convicted of embezzling bank funds.⁶⁶ Had he, one wonders, counted too heavily upon profits from his Venezuelan adventures and tried to cover his losses from the local till? The valley of the Orinoco, in any case, kept its riches.

WHAT DOES the Orinoco concession add to recent historical explanations of the Venezuelan boundary dispute and to general understanding of the United States' Latin American policies? First of all, Walter LaFeber, in *The New Empire*, makes one important, overarching observation that is amply supported by this study: American actions, especially during the boundary dispute but in later conflicts as well, were only incidentally concerned with the future well-being of Venezuela.⁶⁷ United States private citizens, like their policy-making leaders, were indifferent to the consequences of their actions with regard to the Venezuelan people whom they looked upon, for the most part, as inferior beings mainly useful as a source of cheap labor and local color. LaFeber suggests that Venezuela's anti-Americanism during the Spanish-American War was due to Americans' cavalier disregard of that country's rights during the arbitration over the boundary.

But Venezuelan anti-Americanism had other sources, too, rooted in the kinds of concessions that the Orinoco Company exemplified and the exertions of American legal, economic, and military pressure that they exacted. During the crisis of 1901, the U.S.S. "Scorpion" was sent up the Orinoco River on a fact-finding cruise. Its commander, in his subsequent report to the Navy Department, described the dislike that the Minnesota investors had engendered. "No Venezuelans will work for the Company," wrote Lieutenant Commander Nathan Sargent, "and it seems to have been boycotted by the surrounding inhabitants, who often menace its employees, threaten to burn its buildings, etc."⁶⁸

Therefore, when President Castro won national support with his promise to throw out the foreign devils, he did not mean just the British, Germans, Dutch, and Italians — he meant Americans also. Diplomatic historians of the 1902–03 crisis rarely mention this fact. It is likely that Castro wanted to throw foreigners out so that he could sell off their properties

⁶² "Our Relations with South America," in *The Nation*, 88:157 (quote) (February 19, 1909).

⁶³ "Expect Venezuela to Pay," in *Faribault Republican*, July 21, 1909, p. 2; *Faribault Democrat*, September 1, 1911, p. 2.

⁶⁴ *Faribault Republican*, March 20, 1901, p. 3; Merle Potter, *101 Best Stories of Minnesota*, 38 (Minneapolis, 1931). Potter, on the staff of the *Minneapolis Journal*, included in his book an undocumented three-page chapter — "The Bonanza that Failed" — on the Orinoco Company. In a typescript of 1937, identified as Potter's, it is said that the information was obtained from John LeCrone, George Baxter's law partner and the only official of the company still alive in 1937. The typescript is in the WPA Minnesota Papers, Miscellaneous Historical Sketches, folder 27, in the Minnesota Historical Society. LeCrone died leaving no descendants and therefore the present whereabouts of the papers he held is unknown. (Martine Bursik, Buckham Memorial Library, Faribault, to author, January 26, 1973.)

⁶⁵ Potter, *101 Stories*, 38.

⁶⁶ Clement's trial in United States District Court in St. Paul and subsequent delays were thoroughly covered in newspapers of the Twin Cities and Faribault. See especially, *St. Paul Pioneer Press*, June 10, p. 2, July 8, p. 1, and November 14, 1905, p. 2, and *Faribault Republican*, June 28, p. 2, and November 15, 1905, p. 5.

⁶⁷ LaFeber, *The New Empire*, see especially p. 269.

⁶⁸ Nathan Sargent, "Scorpion: — Report on Visit to Orinoco River," March 23, 1901, Bureau of Naval Records, National Archives, Washington, D.C.

again, but his policies had great popular appeal. LaFeber also interprets American actions in the boundary dispute as being due to convictions about the need for foreign markets to cure the depression of the 1890s. This, he says, is why the control of the Orinoco was of such concern to Cleveland, Olney, and everyone else who took a bellicose stand over the dispute.⁶⁹ Perhaps. But it is also true that these policy-makers were well aware of the Manoa-Orinoco concession that had existed since 1883 and included one bank of the Orinoco. That knowledge must surely have added one more turn of the screw to American stridency over the issue, for Cleveland would have heard howls from high places if he had allowed Britain to dominate the Orinoco. It is possible, too, that the Orinoco concession had provoked Britain to increase its claims and had inflamed the dispute in the first place. The issue had been quiescent until Crespo awarded Fitzgerald the right to exploit resources in the disputed area.

Because the investors of the Orinoco Company were Middle Westerners, it is worth noting William Appleman Williams' recent book in which he discusses the role of "agricultural businessmen" in creating an ideology of "imperial anti-colonialism."⁷⁰ Farmers needed markets, he claims, and they sought them abroad. Perhaps. But the Middle Westerners of the Orinoco Company, who plunged eagerly into foreign enterprise, were not farmers, and they were not looking for markets. They had no sense of "glut" — only a sense of opportunity. They were members of the elite of their little town — mayors and district attorneys, bankers and doctors — and they wanted to do abroad all the things they had done at home. They wanted to market the timber, mine the iron ore, build the railroads, plant the crops, and subdue the natives. For them,

Venezuela was just an extension of America, not a place to solve America's problems.

They were, of course, wrong. They misjudged Venezuela in all the ways it was possible to misjudge it. Far more expertise than the Faribault investors had was necessary to cope with the climate, the jungles, and the vagaries of the Orinoco River. Far more sophistication than theirs was needed to set in motion the kind of economic development that would enlist the support of all levels of the Venezuelan power structure and bring an end to revolutionary disorder without the presence of gunboats and cruisers. These were misjudgments that did not flourish only in Faribault.

⁶⁹ LaFeber, *The New Empire*, see especially p. 242.

⁷⁰ William Appleman Williams, *The Roots of the Modern American Empire*, see especially p. 4–46 (New York, 1969).

THE AUTHOR wishes to thank first of all her research assistant, Carol Cummins of Hamline University, who did the initial detective work in tracking down the Orinoco Company, and her husband, Professor Kent Kreuter of Hamline, and Professor Roger Trask of Macalester College for their critical reading of the paper and for suggestions.

THE PHOTOGRAPH of Donald Grant on page 200 is from Charles E. Flandrau, *Encyclopedia of Biography of Minnesota*, facing 447; the photograph on page 203 is through courtesy of Donald Grant's grandson, Donald F. Batcheller, and the technical assistance of Anders Himmelstrup; the Davis portrait on page 202 is in the society's collection; the picture of Crespo on page 209 is from *Harper's Weekly*, 40:41 (January 11, 1896) and of Castro on the same page is from *Everybody's Magazine*, 19:341 (September, 1908); the photographs on page 210 are from *Faribault Republican*, September 15, 1897, p. 1; the map work is by Alan Ominsky.



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