The First World War to Boom and Bust

The opening of the Panama Canal before the First World War further reduced the strategic importance of the British West Indies and British responsibility for security in the region. The Great War itself caused major upheaval to Britain’s transatlantic shipping and trade and diverted capital to financing the war effort, with obvious repercussions for trade and investment in Cuba. The island’s two principal agricultural products suffered contrasting fates during the war; sugar was indispensable and in high demand as a staple commodity in Western diets, while cigars were a luxury and wholly expendable. Most Cuban cigar factories were forced to close early in the war due to the cancellation of European orders.1

The First World War and Beyond

Britain had developed an increasingly sweet tooth during the nineteenth century. Sugar consumption in the country rose fourfold between the 1830s and 1890s, reaching the giddy annual level of 70 lb per head.2 Before the First World War, beet sugar from Austro-Hungary and Germany was supplying more than two-thirds of British import requirements. The outbreak of conflict precluded Britain from purchasing beet from these two wartime enemies, and to make a difficult situation worse, large agricultural regions of French sugar beet cultivation soon converted into the Western Front. As a result, Cuba benefited from increased demand and higher prices for its sugar. Constituting a foodstuff of high calorific value, Britain took emergency measures to secure the import of this essential commodity when panic hit London’s market in 1914 and sugar prices doubled in two months. The Royal Sugar Commission, the first state-managed food control institution during wartime, bought
and sold sugar, and regulated its production from August 1914. And the Admiralty obtained powers to requisition vessels for the conveyance of sugar imports from major outlets.³

During the 1914 to 1915 period Britain obtained most of its sugar, both raw and white, from Eastern suppliers in Java and Mauritius. But from 1916 the actions of German submarines and military exigencies provoked a serious merchant shipping shortage. Remoter sources of sugar in the East had to be abandoned, and priority given to those imported via the shorter and more defensible sea route across the North Atlantic. For the rest of the war, Britain was heavily dependent on Western suppliers, and particularly on Cuba, whose raw sugar production dwarfed that of its British West Indian neighbours. Soon after the United States entered the war in April 1917, Washington and London coordinated sugar purchases and allocation between the Allies in Europe and North America, anxious to secure sufficient supplies and avoid exploitative speculation by suppliers during years of crucial demand.⁴ War and a commonality of national interests thus led to a rare example of coordinated Anglo–American policy toward the island.

As in 1905, armed rebellion followed the re-election of a Cuban president in 1916. Insurgents in Oriente province destroyed cane fields and threatened to halt grinding operations in sugar mills. In Santiago de Cuba, rebels compelled a branch of the Royal Bank of Canada to hand over government funds under duress. The British minister informed his US counterpart that responsibility for protection of British property lay with the United States.⁵ Washington did soon again feel compelled to send troops and arms. The revolt by supporters of former President José Miguel Gómez pushed westwards as far as Las Villas, but had to admit defeat to Menocal’s better-organized troops, enjoying US military support. In the course of this tumult, 13 Jamaicans were shot dead at Jobabo near Santiago. The resulting court martial and acquittal of two Rural Guard officers led to protracted complaints by His Majesty’s Government, not finally resolved until 1921 when compensation was paid to ten victims’ families. US marines remained in Oriente province until 1922, ostensibly for the purpose of training.

Apart from higher demand for sugar and lower demand for cigars, Cuba was largely unaffected by the war. British Minister in Havana Stephen Leech estimated that around 70 per cent of Cubans supported the Allies. The remainder, including Spaniards, were either indifferent or pro-German, these latter views expressed in the Spanish-owned newspaper Diario de la Marina.⁶ With Cuban hearts not in the war, the British minister described insidious elements that fomented anti-American and