THE GOOD NEIGHBOR POLICY

A STUDY IN FRIENDLY RELATIONS

by

FRANCES ALICE McCARTER

A Thesis
Presented to the Department of History and the Graduate Division of the University of Oregon in partial fulfillment of the requirements for the degree of Master of Arts

June 1940
APPROVED.

Thesis Adviser

For the Graduate Committee of the College of Social Science
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>I. THE HISTORICAL SETTING</td>
<td>1</td>
</tr>
<tr>
<td>II. A POLITICAL GOOD NEIGHBOR</td>
<td></td>
</tr>
<tr>
<td>NON-INTERVENTION</td>
<td>10</td>
</tr>
<tr>
<td>III. RECIPROCAL TRADES</td>
<td>32</td>
</tr>
<tr>
<td>IV. CONTINENTAL SOLIDARITY</td>
<td>55</td>
</tr>
<tr>
<td>V. A CULTURAL GOOD NEIGHBOR</td>
<td>70</td>
</tr>
<tr>
<td>VI. PUBLIC OPINION AND THE GOOD NEIGHBOR POLICY</td>
<td>79</td>
</tr>
<tr>
<td>VII. CONCLUSIONS</td>
<td>94</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>98</td>
</tr>
</tbody>
</table>
LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLES</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. NATURE OF UNITED STATES-LATIN</td>
<td></td>
</tr>
<tr>
<td>AMERICAN TRADE</td>
<td>34</td>
</tr>
<tr>
<td>II. PROPORTION OF LATIN AMERICAN EXPORTS ON</td>
<td></td>
</tr>
<tr>
<td>UNITED STATES FREE LIST</td>
<td>39</td>
</tr>
<tr>
<td>III. UNITED STATES EXPORTS TO LATIN</td>
<td></td>
</tr>
<tr>
<td>AMERICAN COUNTRIES</td>
<td>44</td>
</tr>
<tr>
<td>IV. UNITED STATES IMPORTS FROM LATIN</td>
<td></td>
</tr>
<tr>
<td>AMERICAN COUNTRIES</td>
<td>45</td>
</tr>
<tr>
<td>V. CUBAN EXPORTS OF RAW SUGAR</td>
<td></td>
</tr>
<tr>
<td>VI. CUBAN IMPORTS OF AUTOMOBILES</td>
<td></td>
</tr>
<tr>
<td>VII. CASTOR BEANS AND AUTOMOBILE TRADE BETWEEN</td>
<td></td>
</tr>
<tr>
<td>UNITED STATES AND BRAZIL</td>
<td>48</td>
</tr>
<tr>
<td>VIII. AUTOMOBILE AND BALSAM TRADE BETWEEN</td>
<td></td>
</tr>
<tr>
<td>UNITED STATES AND COLOMBIA</td>
<td>49</td>
</tr>
<tr>
<td>IX. UNITED STATES TRADE WITH SEVEN LATIN</td>
<td></td>
</tr>
<tr>
<td>AMERICAN COUNTRIES</td>
<td>51</td>
</tr>
</tbody>
</table>
INTRODUCTION

It is only in the past few years that the relations of the United States with Latin America have excited a large measure of interest in the American people. This trend of opinion seems to be based upon two factors: the influence of long-run forces which go far back in inter-American history, and the present European situation which seems to be turning Americans from the turmoil there to the neighborhood closer home. To both of these tendencies the Latin American policy of Franklin D. Roosevelt has given considerable impetus.

When in his inaugural address, 1933, President Roosevelt dedicated this country to the "policy of the good neighbor", the pledge was in reality to the world. Historically, however, the term has come to cover American relations with the twenty Latin republics of the western hemisphere.

During the years, 1933-1939, four principles have emerged as the elements of the good neighbor policy -- non-intervention, reciprocal trade, continental solidarity and cultural understanding. To trace the course of development and to attempt some sort of an evaluation this thesis is dedicated. That it will be of itself but a reflection of the passing parade is an indication of the renewed interest in the relations of the new world.

In discussing this problem it is well to define terms clearly. For the purposes of this study the following definitions are in order:
Latin America, a general term referring to the twenty independent states below the Rio Grande; Latin Americans, the peoples of these states; the Americas, the independent states of North and South America collectively; inter-American, a general term referring to relations between the twenty-one republics of the western hemisphere; Pan American, used only in connection with the Pan American Union; pan-American, term used to express the spiritual relations between the Americas. The most controversial terminology is the use of the word "American". In this thesis it was decided to use the word as the adjective of the United States. America, therefore, has also been used as referring to the United States.
CHAPTER I

THE HISTORICAL SETTING

Beginnings of the pan-American ideal can be traced as far back as the eighteenth century. In this early period it was confined almost exclusively to the Latin American half of the continents, but with the independence of the United States projects for the independence of Latin America with the aid of the United States and Great Britain became numerous. José de Maia interviewed Thomas Jefferson at Paris in 1787 regarding such a scheme and ten years later Francisco de Miranda was negotiating with both governments for independence and unity.¹

The efforts of these men were strengthened by the rise of Napoleon in Europe. After Joseph was made King of Spain in 1810, the Spanish American colonies refused allegiance to the Bonaparte pretender. Later the movement was extended against the legitimate Bourbons. The United Provinces of the Río de la Plata declared independence from the mother country in 1816 and the rest of the continent, including the Portuguese colony of Brazil, fell into line.

American interest in the revolutionary movements of the Latin colonies was prominent from the beginning. Practically all of the leaders of these early days could be connected with the development of a pan-American spirit.

Henry Clay advocated a sort of inter-American relationship to be based not alone on commercial interests. Along with John C. Calhoun he led the fight for recognition in Congress. Presidents Madison and Monroe expressed themselves as favorable to recognition and John Quincy Adams, Secretary of State during Monroe's Administration, evidenced keen interest.

Meanwhile the political aspects of American foreign policy were being formulated upon the principles of isolation, self-determination and paramount interest. With an eye to the commercial advantages the United States would receive from an independent Latin America, these factors were determining American policy. Commercial recognition was extended first with the appointment in 1810 of Joel Poinsett as agent to "Buenas Ayres," By 1822 with the Florida treaty safely ratified and with the armies of San Martin and Bolivar defeating the Spanish regiments, this country was ready to extend formal recognition and the first ministers were given instructions the following year.

In 1823 the Monroe Doctrine was declared by President Monroe in his annual message to Congress. Acting without the preferred aid of Great Britain but with the protection of her navy and of the Atlantic Ocean, Monroe declared the American continents no longer subject to European

---

2Moore, John E. E. Henry Clay and Pan Americanism, (Louisville, Kentucky: Westernfield-Bonte Co., Incorporated, 1915), address delivered before the Kentucky State Bar Association at Frankfort, July 8, 1915.

colonization and pledged the United States to refrain from interference in European affairs. This was the American answer to the activities of the Quadruple Alliance in Europe.

Many Latin Americans thought that here was a promise of assistance from the United States, but they were soon to be disillusioned by the Panama Congress of 1826. Invited by the southern countries to discuss with them questions of a continental nature, the United States was tardy in appointing delegates and consequently none arrived until after the close of the Congress. However, their instructions were so limited as to have been of no real significance in any event. The United States was not alone in this action; for Chile, the United Provinces and Brazil also failed to send delegates.

Nor was Latin America to be encouraged by the next major contact with the United States. In 1836 Texas revolted from Mexican rule, declared its independence and applied for admission to the United States. After an imperialistic presidential campaign Texas was annexed in 1845, and this action, coupled with other complicating factors, led to a war with Mexico. The war ended disastrously for the Mexicans and the United States demanded the whole of northern Mexico as war profits. The Mexican Cession, coming after the Texas annexation and the acquisition of the Oregon Territory, aroused the fears of the Latin Americans, who soon came to distrust the country of Manifest Destiny. The failure to prevent British encroachments in the Falkland Islands and in Honduras did not quiet these fears, nor did the Ostend Manifesto of a few years later alleviate this condition.

The Civil War marked the end of the adolescent United States and the
beginning of the mature nation. The diplomatic history of this period demonstrated beyond question the practical impossibility of international isolation. European recognition of the Confederate States would have destroyed the Union, and the energies of the two sections would have been dissipated in a struggle for power in the western hemisphere. Happily recognition was not extended and the United States was accepted as a fledgling world power.

However, serious violations of the declared policy of this country had been made. During the Civil War the United States had been unable to prevent the establishment of a French puppet government in Mexico under the Hapsburg, Maximilian. After the close of the war, however, Secretary of State Seward protested vigorously at Paris, threatening drastic action with the victorious northern army. Since the European scene was none too satisfactory at this time, France was forced to withdraw her troops. Maximilian and his government were immediately destroyed by the national liberal movement in Mexico. Any gratitude which Latin American countries might have felt for the United States for her part in this failure of European imperialism was nullified by the immediate attempts of President Grant's administration to gain control over Santo Domingo and the Danish West Indies. The United States was returning to her land-grabbing tactics.

A happier aspect of American policy was inaugurated by James G. Blaine, President Arthur's Secretary of State. Capitalizing on Congressional activity for extended commercial relations with Latin America, Blaine issued invitations in 1881 to a Washington conference to discuss commercial problems common to the Americas. The invitations were
withdrawn the following year because of war between Chile against Peru and Bolivia. Congressional interest remained keen and in 1888 another bill was passed providing for a commercial conference. Blaine, again Secretary of State, presided over this meeting which was held in 1889. The only tangible result of this first Pan American Conference was the establishment of the Bureau of American Republics to further the cause of peace, friendship and commerce in the Americas.

Whatever of friendship and idealism which may have been embodied in the development of the Washington-supported congresses was soon overshadowed by the increased vigor of American imperialism. Just the following year, 1890, relations were strained with Chile over alleged interference in the Chilean elections. In reprisal to this American action a number of American sailors on shore leave from the United States naval vessel, the Baltimore, were attacked by a mob in Valparaiso and several of them were killed. The United States demanded compensation and this controversy embittered American-Chilean relations for many years.

A more difficult situation arose a few years later when Cleveland's Secretary of State Olney took advantage of the Venezuelan boundary dispute to declare: "Today the United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition." Though American intervention resulted in a more generous

\[^3\] Tyler, Alice Felt, *The Foreign Policy of James G. Blaine*, (Minneapolis: The University of Minnesota Press, 1927), ch. VII.

\[^5\] Bemis, op. cit., p. 418.
boundary settlement for Venezuela, Latin Americans disliked the tenor of this country's attitude.

Nor were their fears unjustified, for in some three years the United States embarked upon the imperialistic Spanish American War. This attack upon the former mother country of Spanish America, evoked sympathy for Spain, and the consequent territorial annexations produced genuine fear of the "Colossus of the North." Ownership of Puerto Rico, plus a virtual protectorate over Cuba by the Platt Amendment, extended American influence in the Caribbean, and Latin America protested. Later in 1903 the first President Roosevelt "took" Panama, established financial control over Santo Domingo and declared the so-called "Roosevelt Corollary" to the Monroe Doctrine. His successor, Taft, sent the marines to Nicaragua and sponsored "Dollar Diplomacy." Though Wilson declared publicly against intervention, he probably exceeded Theodore Roosevelt in extending American control in the Caribbean area. He assumed a protectorate over Nicaragua (Bryan-Chamorro Treaty) in 1913, extended this to financial control four years later, made the same arrangements with Haiti; refused to recognise the Mexican Huerta government, occupied Vera Cruz; sent General Pershing after Pancho Villa, ordered the marines to Santo Domingo and continued all the arrangements of

---

"It has for some time been obvious that those who profit by the Monroe Doctrine must accept certain responsibilities along with the rights which it confers; and that the same statement applies to those who uphold the doctrine... The justification for the United States taking this burden and incurring this responsibility is to be found in the fact that it is incompatible with international equity for the United States to refuse to allow other powers to take means at their disposal of satisfying the claims of their creditors and yet to refuse, itself, to take any such steps."

Quoted by Deis, Ibid, p. 528.
his predecessors in the Caribbean as well. 7

Events in southern waters were soon overshadowed by the European war and the peace, but Latin American difficulties returned to plague the Harding administration. The Mexican situation was the most dangerous. Acting under the 1917 Constitution the government began a slow process of expropriation of land to be redistributed to the peasants. Worthless bonds were given in payment and the American government protested this treatment of its nationals. Heavy taxes and limited leaseholds for foreign property holders and defaulted bonds aggravated the situation. Upholding the rights of vested interests, the United States refused to recognize the Obregon government until a working agreement was reached in 1923. Latin American interest and opposition to American policy was openly voiced at the Santiago Pan American Congress of this year at which Mexico was not represented. 8 Settlement in 1923 was only temporary for new expropriations were soon made and another agreement was not reached until 1928.

In the Caribbean the United States continued its policy of unwelcome policing with financial agents and marines. No new commitments were made, but the Americans were able to make themselves obnoxious, particularly in Nicaragua.


8Mexico was not represented in the Pan American Union because the United States refused recognition. Hence there was no ambassador at Washington on the Governing Board to participate as a member of the Union.
However, elements of a new policy were not entirely lacking. Secretary Root had declared against intervention at Rio de Janeiro in 1906 and Wilson's Mobile speech reiterated his ideals. He had solicited the joint mediation of Chile, Brazil and Argentina in the Mexican affair and had sponsored a treaty with Colombia which expressed regret at the Panama incident and offered a $35,000,000 indemnity. 

In 1924 the marines were withdrawn from the Dominican Republic (Santo Domingo) and a new treaty was negotiated which indicated an eventual end of the financial protectorate. The following year the marines were withdrawn from Nicaragua for a short time, and under Hoover a gradual evacuation was made which was completed January 1, 1933. The withdrawal was effected in the face of political disturbances in that country which had resulted in the murder of eight American citizens.

Late in 1927 Dwight W. Morrow was sent to Mexico as American ambassador and immediately his "hand's-off" policy improved relations there. 

J. Rueben Clark, his successor, continued the good work and was authorized in 1929 by the State Department to publish a memorandum on the Monroe Doctrine which virtually repudiated the "Roosevelt Corollary."

A gradual policy of appointing Haitians to the American receivership staff was instituted by President Hoover in 1931 and seemed to improve relations. Liberals in the United States were applauding these efforts and declaring for their extension in a whole-hearted reorganization of the Latin American policy of the United States. It was in this atmosphere

---

The treaty was not ratified by Colombia. In 1921 a treaty was completed which paid the money but withheld the apology.
that a new president was to be inaugurated and a change of policy effected.

To this task Franklin Delano Roosevelt immediately applied himself. In his inaugural address of March 4, 1933, he declared:

In the field of world policy I would dedicate this nation to the policy of the good neighbor - the neighbor who resolutely respects himself and because he does so, respects the rights of others - the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors.11
CHAPTER II

A POLITICAL GOOD NEIGHBOR: NON-INTERVENTION

...the definite policy of the United States from now on is one opposed to intervention.

Franklin D. Roosevelt

Having declared a policy of the good neighbor, it remained to be seen whether the thought was father to the deed. To Latin Americans political sovereignty was the most important of the problems in their relations with the United States. To this problem, then, attention is turned, first, to the development of a declared policy of non-intervention, and second, to the actual workings of that declared policy.

It has been seen that the new Roosevelt administration had some foundation upon which to carry forward a program of withdrawing from Latin America and that the expression of a good neighbor policy was in some measure a response to intelligent popular opinion.

Officials of the government continued to give expression to this policy and particularly to declare how it would affect our future relations in the Americas. President Roosevelt immediately made it clear that territorial imperialism was not to be a part of the New Deal, when he declared in his first Pan American Day address in 1933 that the growth of a nation should not be "by the acquisition of territory at the expense of
any neighbor. 1 A more emphatic declaration came in May when the President proposed to the world that:

all the nations of the world should enter into a solemn and definite pact of non-aggression; that they should solemnly reaffirm the obligations they have assumed to reduce their armaments and provide that these obligations are faithfully executed by all signatory powers, individually agree that they will send no armed force of whatsoever nature across their frontiers. 2

While the actions of the United States were undergoing a severe test in Cuba and Haiti, President Roosevelt and Secretary of State Hull were to be given an opportunity to further extend their declarations at the Seventh International Conference of American States held at Montevideo, Uruguay, in December of 1933. These meetings, held every five years under the auspices of the Pan American Union, the United States was accustomed to dominate by one means or another. Secretary Hull, the American delegation head, was determined to reverse the circumstances. Freer discussion was allowed than had been usual before. The Chaco conflict was brought into the plenary sessions, as was the question of European observers.

Most important of all, the Cubans and the Haitians were allowed to criticize openly American policy toward their respective countries. 3 It is reported that a plot had been arranged by Argentina, Chile and the


3Ibid, December, 1933.
United States to "hush up" the Cuban delegates but, as the Cuban delegate spoke, Bull sat hunched in his seat, listened and sent a note to the fellow-plotters. The Cuban continued to speak and he was followed by most of Central America in impassioned pleas for national sovereignty. Then the American Secretary rose to speak—haltingly and slowly, as he abandoned the prepared speech before him. And he said that the United States was opposed to intervention. 4

Whether true or not, the spirit of the story is typical of the attitude of the Secretary of State, and he did pledge his country to a policy of non-intervention. On December 16th he declared in committee:

"I am safe in the statement that each of the American nations whole-heartedly supports this doctrine—that every nation alike earnestly favors the absolute independence, equality, and the political integrity of each nation, large or small, as they similarly oppose aggression in every sense of the word."

"...My Government is doing its utmost with due regard to commitments made in the past, to end with all possible speed entanglements which have been set up by previous circumstances. There are some engagements which can be removed more quickly than others; and can only be brought about through the exertions of some patience... The people of my country strongly feel that the so-called right of conquest must forever be banished from this hemisphere and, most of all, they shun and reject that so-called right for themselves. The New Deal indeed would be an empty boast if it did not mean that..."

"...Let actions rather than mere words be the acid test of the conduct and motives of each nation."

---

4Herring, Hubert, "Pan Americanism, New Style?" Harper's, May, 1934.

Again, four days later before the plenary session, Secretary Hull was as explicit when he said: "... no government need fear any intervention on the part of the United States under the Roosevelt Administration."\(^6\)

Guided by the ideology that actions be the "acid test", Hull agreed to a preliminary declaration against intervention in the Convention on the Rights and Duties of States which was signed December 26.\(^7\) Four Articles were of particular interest and importance:

**Article 8**

The political existence of the state is independent of recognition by other states.

**Article 4**

States are juridically equal, enjoy the same rights, and have equal capacity in their exercise...\(^2\)

**Article 8**

No state has the right to intervene in the internal or external affairs of another.

**Article 9**

The jurisdiction of states within the limits of national territory applies to all the inhabitants.

Nationals and foreigners are under the same protection of the law and the national authorities and the foreigners may not claim rights other or more extensive than those of the nationals.\(^8\)

Though a reservation was made as of Hull's statements of December 19, the United States had substantially agreed to recognize any de facto

\(^6\) *ibid.* p. 36.

\(^7\) *Ratified by the United States, July 15, 1934.*

government as an equal power, and what is more interesting, would seem under Article 9 to have agreed that foreign investors have no special juridical rights, if a literal interpretation of this clause be given.

Montevideo pointed the way. The President of the United States and citizens, both public and private, continued to give expression to the doctrine of non-intervention. The second definite step was taken at the Buenos Aires Peace Conference of December, 1936. Again Cordell Hull was chief of the American delegation and again freedom of discussion was allowed. The question of intervention was on the agenda and an additional Protocol Relative to Non-Intervention, designed to reaffirm the Montevideo Convention, was signed on December 23, 1936, without reservation. The Protocol declared:

The HighContracting Parties declare inadmissible the intervention of any one of them, directly or indirectly and for whatever reason, in the internal or external affairs of any other of the parties.

This declaration Secretary Hull stated to be one of the three main accomplishments of the Buenos Aires Conference.

9The great number of these speeches makes quotation virtually impossible. Practically every speech or statement of Latin American relations contains a statement on non-intervention. The most notable were the Woodrow Wilson Foundation address of December 28, 1933 and the Chautauqua address of August 14, 1936, both by President Roosevelt.

10Ratified on July 15, 1937.


12Hull, Cordell, "The Results and Significance of the Buenos Aires Conference," Foreign Affairs, April, 1937.
A further step in pledging this country to non-intervention was taken by the American Secretary of State in a statement, July 16, 1937, which was addressed to all foreign governments. The United States was pledged to an orderly development of international relations and specifically to refrain from the use of "force in pursuit of policy and from interference in the internal affairs of other nations."\(^{13}\)

By the time that the Eighth Pan American Conference at Lima was held, 1938, intervention had resolved itself into the problem of finances and expropriations. Latin Americans no longer feared territorial aggression from the United States, and therefore, the general principle of non-intervention was incorporated into the more comprehensive Declaration of Lima and the Declaration of American Principles, wherein intervention was condemned. Interest at Lima was centered around the Mexican proposal against the use of force in the collection of debts. Mexican action was determined by the recent disputes with the United States and Britain over land and oil expropriations. However, the question of inter-American solidarity was of so much greater importance that there was little difficulty in shelving the Mexican proposals to the consideration of the Ninth Conference at Bogota. This action was taken on December 21, 1938.\(^{14}\)


\(^{14}\)Eighth International Conference of American States, Final Act, published in Internation Conciliation, April, 1939, pp. 161-82. Hereinafter cited as Final Act: Lima (Int. Concil.).
No one can deny that in these conventions, protocols and declarations, the United States has given up any legal basis for intervening in the affairs of another country. However, the question still remains a vital one to the United States, for the interpretation of what is and is not intervention has not been determined. It has been the official position of the American government that this country has not broken its pledges to Latin America. Nevertheless, considerable ground does exist to contest this official attitude.

The path of the United States in dealing with Latin America has not been easy. While Cuba and Mexico have been the most difficult of our problems, they have not been the only ones. To a discussion of these specific questions attention is now turned.

Cuba presented the first test of the good neighbor policy. Since Gerardo Machado had usurped dictatorial powers in the late twenties, assertively with the backing of the United States, the political and economic conditions of the island had gone from bad to worse. The American tariff on Cuban sugar intensified these conditions, and the Platt Amendment of Theodore Roosevelt's day embittered Cubans because of the political tutelage it implied.

Revolutionary rumblings were distinctly evident in the country during 1933. The situation was so alarming that Secretary Hull sent his ace trouble-shooter, Sumner Welles, as ambassador to Cuba. Welles was instructed to negotiate for a revision of the trade relations which would be designed

---

to foster the economic conditions of Cuba particularly in regard to sugar. As the political situation became more dangerous, Welles accepted the position of mediator between Machado and the ABC opposition. Finally, in August Machado was forced to flee and Manuel de Cepeda was proclaimed president. He appeared to be the general choice of the people and was recognized by the United States. Furthermore, Roosevelt promised a sugar pact and a trade agreement.

However, the more radical elements in the army and among the university students were not satisfied with the Cepeda government and by a coup of September 6 forced it to resign. Two days later President Roosevelt conferred with the other Latin American representatives at Washington as to action. Nevertheless, a full contingent of marines was held ready in Virginia, and it was reported that thirty ships were on route or in Cuban waters. Denial was made that these precautions were for more than protection of American lives.

Meanwhile, the junta which had forced Cepeda's resignation had

---

16 Press Releases, June 10, 1933.
18 Press Releases, August 16, 1933.
20 Ibid, September 6, 1933.
21 Ibid, September 7, 1933.
23 Press Releases, September 9, 1933.
installed Dr. Grau San Martin as a president who was pledged to a semi-
leftist program. The United States declared that recognition would not be
extended until the new government had shown its popularity and ability to
maintain order since it had come to power unconstitutionally.24 Furthermore, trade discussions were broken off while the political situation was
so unfavorable.25 However, a sugar quota of nearly 2,009,000 tons was granted
in late September.26

Strikes and riots continued to increase throughout the rest of the year,
and although Grau San Martin made every effort to obtain American recognition,
this was denied. Wallace was recalled and Mr. Jefferson Caffery sent as the
personal representative of Roosevelt, but no change came in policy.

Finally, in January, 1934, Grau San Martin was forced to resign and he was
replaced by Carlos Medrano, a liberal.27 The United States conferred with
the Latin American ministers in Washington and on January 23rd extended
formal recognition. Trade negotiations were resumed and conversation was
began on the repeal of the Platt Amendment. Early in May Roosevelt reduced
the sugar tariff from $1 to $1 1/2 in an endeavor to aid Cuban economy.28

Later in the month, May 29, the long hoped for repeal of the Platt Amend-
ment was announced by the signing of a new treaty with Cuba. By the first

25Press Releases, September 16, 1933.
26New York Times, September 27, 1933.
27bid, January 10, 1934.
28Press Releases, May 12, 1934.
Article it was provided that:

The Treaty of Relations which was concluded between the two contracting parties on May 22, 1934, shall cease to be in force and is abrogated, from the date on which the present treaty goes into effect.

Although the naval station at Guantanamo was retained, the United States had substantially removed herself from Cuba in the outward political situation.

On August 24 a further step was taken in the restoration of Cuban economy with the signing of the first reciprocal trade agreement, which improved conditions immediately. Since 1934 Cuban politics have in fact been controlled by Colonel Fulgencio Batista of the army, while various governments have come and gone. In each case United States recognition has unquestionably been given, and relations between the two countries have steadily improved.

The policy of the United States in Cuba has been open both to praise and attack. The problem has centered around the question: "Did the United States intervene in Cuba?" In the official position of the government intervention was repudiated. Sumner Welles gave a number of addresses during 1934 in which he explained and upheld his actions. He held that

---


29See below, Chapter III.

30See below, VII.

31Issued by the State Department as separate publications.
the United States was asked to mediate and therefore did so. The popular
Guevara government was overthrown illegally by the Grau San Martin faction
which did not command the support of the people, and hence, fell of its own
weight. No armed intervention took place.

Regardless of this it would seem that at least a form of intervention
did take place. Though warships which patrolled Cuban waters never landed
forces and were careful to remain out of gunfire in the squabbles at
Havana, Cubans claim that their influence was felt. Moreover, it seemed
clear that the Grau San Martin government fell because American recog-
nition was withheld, and because the latter refused to negotiate on the
economic and political issues. Strikes and disorder were certainly not
terminated by the coming of Mendieta.

Nevertheless, it should be recognized that the situation was
difficult, that there were Cubans who desired even greater intervention
by the United States, and that the latter exercised considerable restraint
in not landing marines to straighten out the situation. And after these
initial mistakes the United States did carry out her promises of a trade
agreement and repeal of the Platt Amendment. Furthermore, every Cuban
government since Mendieta has been quickly and without question recognized.
It is in this that there lies the justification of American policy.

If Cuba tried the patience of the United States, relations were some-
what easier with the sister republic of Haiti. Negotiations were
immediately opened by the Roosevelt administration to carry forward the
process of Haitianization begun by President Hoover. These efforts were
immediately crowned with success, and on August 7, 1933, an agreement was
signed looking toward the definitive end of American military and financial control. 33

The first section declared that the American officers of the Garde d'Haiti would be completely evacuated by October 1, 1934, and the Garde turned over to a colonel under the President of Haiti. If, in the future, a military mission were requested, it should not be larger than seven members, who would be under the complete authority of the President of Haiti. Such a mission could be terminated by either party on sixty days notice. The Marine Brigade of the United States and the American Scientific Mission should be evacuated within thirty days after October 1, 1934. In exchange for these concessions Haiti agreed to maintain the present regulations of the Garde and "in order to preserve order, assumes the obligation of maintaining strict discipline in the Garde."

The second section dealt with fiscal problems. The services of the Financial Adviser-General were turned over to a Fiscal Representative, appointed by the Haitian President upon nomination by the American President, who would have direction of the Customs Service, inspect the activities of the Internal Revenue Service, making "recommendations for its proper operations", and present monthly reports to the Haitian Financial Secretary and the American Secretary of State. The American assistants to the Fiscal Representative were not to exceed eighteen in number, and as vacancies occurred were to be chosen by examination. However, the Fiscal Representative could discharge any assistant upon charges filed by the

33Press Releases, August 19, 1933, text of agreement.
Haitian financial secretary. The Internal Revenue Service would be "exclusively Haitian", but again the Fiscal Representative could ask for a resignation if an employee were "inefficient" or if his action was "not correct".

The budget should "not exceed the amount of probable ways and means", and no change in the financial set-up of income and expenses was permissible without the consent of the Fiscal Representative. The debt should be funded regularly and paid by 1944. No objection was made to an earlier retirement, in which case "the provisions of this accord shall automatically become null and void".

From this survey it is immediately evident that military control was to be liquidated, but that financial control was still substantially in the hands of an American representative, although a definitive termination of this control was contemplated. This, indeed, was the attitude of the Haitian Government. President Vincent wrote to Roosevelt on November 16, 1933, praising the withdrawal of marines and at the same time pointing out:

It is permissible for it [Haiti] to envisage and it hopes, with a legitimate conviction, that on its side, the government of the United States, wishing to give a new proof of its desire henceforth to be a good neighbor of all American states, will be able to renounce a useless financial control in Haiti by a spontaneous act...34

Roosevelt replied, November 29, that the United States was obligated to fulfill its treaty commitments and was therefore unable to comply with the Haitian request. However, he would "welcome" a funding arrange-

34Ibid, December 2, 1933.
ment which would end financial control sooner than 1944.  

During April Vincent visited Washington, where it was reported that the question of finances was discussed, but nothing came of the discussion. Later trade negotiations were opened and these resulted in an agreement signed, March 26, 1936, which was designed to improve the trade relations of the two countries.

Early in 1938 a world drop in the price of coffee cut down Haitian revenues and the country asked for a debt moratorium. Since she was ahead of the payment schedule, the United States approved and later extended it with the statement:

"... it is the best interests of all concerned that sufficient funds be available to the Haitian Government to maintain the essential services of government at the cost of a partial default in amortization on its outstanding loans."

A friendly gesture such as this would be entirely consistent with the policy of the good neighbor and Haiti has reciprocated by offering token payments of the debts. Though there would seem to be no immediate end of the financial control of Haiti and continual extensions of the moratorium may defer the release of that control beyond 1944, a considerable step has

35 Ibid., December 9, 1938.
37 Press Releases, March 26, 1936.
38 Ibid., January 22, 1936.
39 Ibid., July 9, 1938.
been taken in ending intervention in Haiti.\textsuperscript{40}

If our relations with Haiti have been satisfactory, so have they been with the Republic of Panama. In the first treaty between the United States and Panama certain rights of intervention were obtained from the latter country which seriously impaired her sovereignty. With the establishment of the good neighbor policy Panama hoped for a treaty revision and President Arias came to this country in 1933 to discuss relations.\textsuperscript{41} The following year, November, 1934, formal negotiations were opened which resulted in the signing of a General Treaty, March 2, 1936.\textsuperscript{42}

The treaty covered both political and economic relations. The United States specifically renounced the right of intervention and the two countries agreed to a "perfect, firm and inviolable peace" between them. United States defense of the Canal Zone was assured by the second article, providing for the reaching of an agreement if additional lands and water were needed; and by the tenth article, declaring that in the case of an emergency the two governments "will take such measures of prevention and defense as they may consider necessary for the protection of their common interests". The United States also agreed to give up certain commercial rights which


\textsuperscript{41}Press Releases, October 21, 1933.

\textsuperscript{42}Ibid., November 10, 1934; March 7, 1936.
made it possible for Panama to take advantage of her geographical position. Two "corridors" were also granted, one to Panama and the other to the United States, and were designed to facilitate communications. Along with the general treaty a second was signed by which Panama and the United States agreed jointly to construct a trans-Isthmian Highway; the United States thereby giving up her exclusive right to establish roads across the Isthmus. Those treaties were ratified on July 27, 1939. By these two treaties it could seem that the United States has given up rights of intervention in Panama under the natural course of events and the two countries may look forward to increased friendly relations.

While the good neighbor policy has been a relative success in Haiti and Panama, it has had a hard test in Mexico. Here the problem has not been one of treaty rights of intervention or of a financial protectorate, but rather one of interpretation of international law regarding expropriation of foreign investments and property.

Land expropriations have disturbed Anglo-Mexican relations since 1917 and during Roosevelt's administration oil expropriation was added to the difficulties. A preliminary agreement of 1934 over the land cases proved unsatisfactory, and the question rose again with the oil expropriations of

---


44 Ibid., No. 946.

45 For a discussion of relations in time of war see final chapter.
March 18, 1938, which followed the failure of the tentative labor agreements between the Mexican oil workers and the foreign-owned oil companies. The United States immediately assumed the following position as given by a State Department press release as of March 30:

This Government has not undertaken and does not undertake to question the right of the government of Mexico in the exercise of its sovereign power to expropriate properties within its jurisdiction... but... the properties of its nationals so expropriated are required to be paid for by compensation representing fair, assured, and effective value to the nationals from whom these properties were taken.

President Cardenas reciprocated by declaring that the United States' attitude had "won the esteem of the people of Mexico" and that "Mexico will know how to honor its obligations of today and its obligations of yesterday".

However, in spite of the rather friendly tone of the American Secretary, the United States stopped the monthly purchases of silver upon which the Mexican silver prosperity was based. This action was taken, said Secretary Morgenthau, in view of the American desire to "re-examine certain of its financial and commercial relationships" with Mexico. While this statement was later amended to the effect that the United States would buy Mexican silver on the open market, the decision was a severe blow to Mexico.

47 Press Releases, April 2, 1938.
48 Ibid.
49 Ibid.
On the other hand, Mexican practice fell far short of Cardenas' declaration. Under the goad of domestic criticism Secretary Hull handed to the Mexican Ambassador, Sajasa, a note on July 21, 1938, which again admitted Mexico's right to expropriate, but demanded compensation. Hull pointed out that Mexico had been remiss in the various compensation agreements. His language was firm:

The taking of property without compensation is not expropriation. It is confiscation. It is no less confiscation because there may be an expressed intent to pay at some time in the future.61

The Secretary proposed arbitration, but in thus demanding immediate payment he brought the question to a dangerous position. The Mexican Foreign Secretary, Eduardo Hay, responded, August 5, that international law did not demand payment for expropriations of "a general and impersonal character"—as for social betterment. Nevertheless, Mexico admitted under her own laws the necessity of compensation. But in not making immediate payment, Mexico was treating foreigners as she was treating her own nationals. Therefore, there ought not to be any complaint. Secretary Hay then invoked the Montevideo convention which had said that nationals and foreigners were subject to the same laws.62 He refused arbitration, but offered to negotiate.63

---

61Press Releases, July 25, 1938. This correspondence of July, 1938, to April, 1939, discussed land expropriations, but it was generally considered as only a sham for the real problem of oil expropriations.

62Supra, pp. 13, 33-34.

63Press Releases, August 27, 1938.
Secretary Hull responded on August 22, reaffirming his former position and denying that of Mexico. He then asked whether Mexico could hold out any hope that the acceptance of the Mexican proposal of negotiations would end in "tangible" results. Mexico replied on September 1 that she could not accept the principle of immediate payment, and there the question simmered for some two months. Then, in an exchange of notes in November, each affirming that the following adjustment did not invalidate the position taken, the two countries agreed to negotiate through a two-man commission. The deliberations were to be reached as to the total sum by May 31, 1939, and not less than $1,000,000 in American currency was to be paid each year to the American owners. This payment was met in 1939.

In an exchange of notes between Hull and Ray, April 1, 1939, the adjudication date was extended to November 30, 1939.

By this agreement the United States in effect agreed to deferred payment of the total value of appropriated land while Mexico consented to immediate and definite yearly payments in order to come to a compromise.

Admittedly the land compromise was only preliminary to the more important question of oil. During 1939 and 1939 the oil companies negotiated through their attorney, Donald R. Richberg, with the Mexican government, but no suitable compromise was reached. Officially the State

66Ibid.,
65Ibid., September 19, 1939.
66Ibid., November 19, 1939.
67Executive Agreement Series, No. 189.
Department did not directly enter these negotiations, but it was clear that the Department was fully aware of the nature of the talks. This unofficial connection went so far that in August, 1939, the Department offered a compromise agreement which would have set up a mixed board of control over the oil companies.68 This was refused by both disputants.

On December 2, 1939, the problem was intensified by a decision of the Mexican Supreme Court which declared the expropriations legal under Mexican law. The decision also ruled that compensation could be asked only on direct capital invested and on oil in storage on March 18, 1939, and in addition said that compensation payment could be deferred ten years.69

This ends the legal means of the companies in Mexico and leaves their only recourse now in an appeal to the State Department officially. Such an appeal is fraught with great danger for the government, for the question of Mexican oil is not one solely between the United States and Mexico. The good neighbor policy is endangered if direct intervention is to be taken, while if a "weak" stand is adopted, it may have serious repercussions on domestic approval of the general foreign policy. In addition weakness may be reflected in our relations with Great Britain, also vitally interested in Mexican oil, and with other countries. Finally, it may endanger the whole of our foreign investments.

The United States has been accused of breaking the non-intervention commitments in this Mexican imbroglio. Technically speaking this is so.

68_The New York Times, August 11-17, 1939.
The end of regular Mexican silver purchases and the entrance into the negotiations between the oil companies and Mexico is intervention. However, it is difficult to see what other policy could have been adopted in view of the possible domestic and foreign repercussions. The State Department has displayed marked tact and courtesy in the situation, and undoubtedly Mexico has been a recalcitrant neighbor with which to deal.

On the other hand, it is as difficult to see what different policy Mexico could have followed. The oil expropriations are in line with Cardenas' pledge of socialization which seems necessary to Mexico. The problem is precisely that of the more general world conflict of social philosophies and is bound to plague the peoples of the world for many years to come.

Taken as a whole, the United States has pursued the policy of non-intervention quite consistently. Although the program has not been completely finished in Cuba, Haiti and Mexico a number of definite steps have been taken. Troops were not landed in the Cuban difficulty, the Platt Amendment has been repealed and a fair trade treaty consummated. The marines were withdrawn from Haiti two years ahead of schedule and an end of the financial arrangements contemplated. The right to intervene in Panama has been abrogated and Panama allowed to take advantage of her commercial position. Tact and considerable restraint have been used in dealing with Mexico.

The United States has shown a non-intervention policy in other matters, too. Since the recognition of El Salvador in 1932, the United States

---

60Press Release, January 27, 1934.
has recognized immediately all Latin American governments regardless of
the road to power. She has made no official protest against the spread
of fascist ideology and has been willing to enter negotiations with any
government. In view of these facts it can be said that the United States
has indeed followed, politically, a policy of the good neighbor.
CHAPTER III

RECIPROCAL TRADE

...on the program of trade agreements rests my hope of world trade ..., and of world peace.

Cordell Hull

A study of the Latin American good neighbor policy would not be complete without some consideration of the present reciprocal trade program of the United States, for it is in this program that America has tried to help solve the problems of our world economy in a constructive manner. To a discussion of the problems of inter-American trade, its importance, the trade agreements and their effect, it is now advisable to turn.

While the foreign trade of the United States represents roughly but ten percent of the total American commerce, it is nonetheless important. A drop in the value of this trade will inevitably be felt in the general prosperity of the country. In 1929 our foreign trade totaled some $10,000,000,000. By 1932 the world depression and trade restrictions had cut this figure to less than $3,000,000,000. Latin America was no exception to this condition. In 1929 our total foreign trade with the southern neighbors had been nearly $2,000,000,000, whereas three years
later it was only slightly over the half billion mark.¹

It was to remedy this situation that the Trade Agreements Act was passed, June 12, 1934, and later extended, March 1, 1937. Under this program it has been possible for the State Department to negotiate and conclude trade agreements by the executive authority of the President of the United States. The general procedure is to announce that trade discussions will be held with a certain country. Then hearings are held in Washington over the trade to be effected, and upon the basis of these hearings an agreement is concluded.² No tariff concession may exceed fifty percent of the 1930 tariff rate. All agreements (except with Cuba) are founded upon the unconditional most-favored-nation principle which grants reciprocal benefits to every country under the trade agreements. By this action an economic trade unit is in reality established.

Twenty-one such trade agreements, eleven with Latin American countries,³


³The Agreement with Nicaragua was terminated during 1938; therefore only ten were effective. Press Releases, February 12, 1938.
had been completed by January 1, 1940. Several negotiations were then pending with Argentina, Chile and Uruguay. It has been estimated that almost three-fifths of the total international trade of the world before September, 1939, was affected by these reciprocal trade agreements.

Latin American trade represents an important part of our foreign commerce. Normally it constitutes some twenty percent of the total trade. Moreover, the nature of the exports and imports makes it doubly significant as the following table shows.

**TABLE I**

**NATURE OF UNITED STATES - LATIN AMERICAN TRADE**

<table>
<thead>
<tr>
<th>U. S. Exports to</th>
<th>U. S. Imports from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>machinery, vehicles, wood, manufactures, iron and steel manufactures, fuels and lubricants, linseed, corn, cattle, hides, wool, quebracho, canned meats</td>
</tr>
<tr>
<td>Bolivia</td>
<td>tin, zinc, copper, lead, antimony</td>
</tr>
<tr>
<td>Brasil</td>
<td>machinery, food stuffs, iron and steel manufactures, automobiles, coffee, cacao, cattle, hides</td>
</tr>
<tr>
<td>Chile</td>
<td>machinery, petroleum and products, automobiles, copper, ore and bars, hides, lentils, gold and silver bearing ore, nitrates</td>
</tr>
</tbody>
</table>

*Unfortunately the European War has upset the trade-agreement program since a number of our principal pacte are with warring nations. It would seem unfortunate that on the two occasions in this century when the United States has adopted a more liberal trade program, a European war has interrupted the full benefits which might have been possible therefrom.*

*Sayre, Francis E., "The Special Significance of the Trade-Agreements Program Today", Commercial Policy Series, No. 60.*
<table>
<thead>
<tr>
<th>Country</th>
<th>U.S. Exports to</th>
<th>U.S. Imports from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombia</td>
<td>machinery, motor vehicles, electric coffee, crude petroleum equipment, iron and steel manufactures, animal and vegetable food stuffs</td>
<td>bananas, coffee</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>wheat flour, cereals, passenger automobiles, cotton cloth, lard, gasoline, etc.</td>
<td>bananas, coffee</td>
</tr>
<tr>
<td>Cuba</td>
<td>lard, rice, wheat, flour, cotton manufactures, automobiles, gasoline, iron and steel</td>
<td>sugar, molasses, tobacco, copper ore, manganese ore</td>
</tr>
<tr>
<td>Dominican Rep.</td>
<td>foodstuffs, leather and manufactures, cotton manufactures, iron and steel, machinery</td>
<td>cacao, sugar, molasses, coffee</td>
</tr>
<tr>
<td>Ecuador</td>
<td>foodstuffs, iron and steel, machinery, automobiles, cyanide precipitates, hats</td>
<td>cacao, coffee, crude petroleum</td>
</tr>
<tr>
<td>Guatemala</td>
<td>wheat flour, lard, raw cotton, cotton yarn, automobiles and accessories, industrial products</td>
<td>coffee, bananas</td>
</tr>
<tr>
<td>Haiti</td>
<td>foodstuffs, wheat, cotton manufactures, petroleum products, iron and steel manufactures, machinery, automobiles</td>
<td>coffee, cacao, bananas</td>
</tr>
<tr>
<td>Honduras</td>
<td>leather footwear, wheat and wheat flour, cotton cloth and manufactures, etc.</td>
<td>bananas</td>
</tr>
<tr>
<td>Mexico</td>
<td>automobiles and accessories, manufactures</td>
<td>petroleum, gold, silver, lead, zinc, coffee</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>wheat flour, cotton cloth, lard leather, petroleum products, industrial equipment</td>
<td>bananas, coffee, cacao</td>
</tr>
<tr>
<td>Panama</td>
<td>automobiles, and accessories, foodstuffs, cotton goods, lumber</td>
<td>bananas, cacao, coconuts</td>
</tr>
<tr>
<td>Country</td>
<td>U.S. Exports to</td>
<td>U.S. Imports from</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Paraguay</td>
<td>foodstuffs, manufactures, machinery, quesocho, hides, cotton and manufactures</td>
<td>yerba, mate</td>
</tr>
<tr>
<td>Peru</td>
<td>foodstuffs, lumber and manufactures, varnishes and oils, metals and manufactures, machinery, vehicles</td>
<td>copper bars, sugar, alpaca, hides, petroleum</td>
</tr>
<tr>
<td>El Salvador</td>
<td>cotton and manufactures, automobiles, trucks, and parts, flour, machinery</td>
<td>coffee</td>
</tr>
<tr>
<td>Uruguay</td>
<td>automobiles and accessories, gasoline, machinery, iron and steel, tin plate, hardwoods</td>
<td>wool, canned meats, hides</td>
</tr>
<tr>
<td>Venezuela</td>
<td>foodstuffs, cotton manufactures, automobiles</td>
<td>petroleum, coffee</td>
</tr>
</tbody>
</table>

In 1935 Latin America took one-half of our total exports of cotton goods and steel mill products, one-third of exports in leather goods, silk goods, advanced iron and steel manufactures, electrical and industrial machinery and one-fifth of our exports of automobiles, parts, and equipment.\(^6\) No comment is needed upon the importance of these products to our domestic prosperity.

In addition, our imports from Latin America constitute many of the staple products of American consumption. Sugar, coffee, bananas, and cacao come almost exclusively from the Caribbean and Brazil. The United

---

States also imports a number of mineral products from Latin America, notably manganese ore, tin, antimony, chromium, copper, tungsten, vanadium, and bauxite. With the recent European complications these imports have assumed unprecedented importance in defense calculations.

The Latin American trade is also important to the United States as a future field of development. The possible markets and sources of supplies of raw materials in a chaotic economic and political world is of considerable importance to American stability and prosperity. It is along these four lines, magnitude, the nature of the trade, potential market, and national defense, that the importance of our trade with Latin America lies.

A discussion of the United States trade with the Latin neighbors is no simple thing, for our relations in this sphere are quite complicated. In the first place, our exports and imports are not balanced, since the United States buys more from the whole of Latin America than we sell to her. Moreover, the distribution of this trade is not equal. For instance, normally, Argentina buys more from us than we from her, while with Brazil the reverse is true. These factors necessitate a multi-way viewpoint toward trade transactions.

A second difficulty is the customary tie-up between Europe and Latin America. This is particularly true of South America where the colonial relations have never been completely upset. It is often said that trade routes go east-west, not north-south; therefore, the United States is

---

Trueblood, Howard J., "Raw Material Resources of Latin America", Foreign Policy Reports, August 1, 1939.
having a particularly difficult time persuading Latin to trade with us.

A third difficulty lies in trade competition with a number of Latin countries—especially Argentina. Both the United States and Argentina are exporters of agricultural products, and hence, they compete in the world market, particularly in Great Britain. Moreover, agricultural products being Argentina's chief exports, there is little market for her products in the United States.

This problem has been intensified by modern trade methods of barter, exchange controls, quotas and the like. Latinas have to sell their products and if the United States cannot buy them, Europe will. Germany has been particularly active here. She will take Brazilian coffee if the latter will take German machinery, and to this trade Brazil has been forced to accede. Transactions of this character may have harmful effects on American exports.

A fourth difficulty in effecting reciprocal trade pact with Latin countries is in the fact that their main exports are raw materials, many of which are already on the American free list as Table II, below shows. This is particularly true in the Caribbean region from which the United States imports bananas, coffee and cacao—still on the American free list. Hence,

[Note: The text continues with further discussion and references.]
when the United States begins trade negotiations, she has few concessions to offer.

**TABLE II**

**PROPORTION of LATIN AMERICAN EXPORTS on U.S. FREE LIST**

<table>
<thead>
<tr>
<th>Country</th>
<th>1932</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>30.6%</td>
</tr>
<tr>
<td>Bolivia</td>
<td>almost 100%</td>
</tr>
<tr>
<td>Brazil</td>
<td>97.5%</td>
</tr>
<tr>
<td>Chile</td>
<td>90.4%</td>
</tr>
<tr>
<td>Colombia</td>
<td>84.1%</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>99.6%</td>
</tr>
<tr>
<td>Cuba</td>
<td>8.6%</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>69.7%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>73.5%</td>
</tr>
<tr>
<td>Guatemala</td>
<td>99.5%</td>
</tr>
<tr>
<td>Haiti</td>
<td>67.2%</td>
</tr>
<tr>
<td>Honduras</td>
<td>98.7%</td>
</tr>
<tr>
<td>Mexico</td>
<td>68.3%</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>97.9%</td>
</tr>
<tr>
<td>Panama</td>
<td>96.3%</td>
</tr>
<tr>
<td>Paraguay</td>
<td>11.0%</td>
</tr>
<tr>
<td>Peru</td>
<td>55.6%</td>
</tr>
<tr>
<td>El Salvador</td>
<td>97.9%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>26.9%</td>
</tr>
<tr>
<td>Venezuela</td>
<td>76.4%</td>
</tr>
</tbody>
</table>

A fifth obstacle to the consummation of trade agreements is found, again mainly with the Caribbean countries, in their dependence upon tariff for governmental revenues. Often their tariffs are already quite low, and it is difficult to reduce them further.

However, in spite of these many obstacles there does exist a firm basis for inter-American trade. Principal Latin American exports being raw materials, she can sell these in the American market and receive in
exchange manufactured goods.

It was, then, with the problems of a falling volume of world trade and of special hindrances to inter-American trade that the Roosevelt administration was faced in 1933. In appointing Cordell Hull as Secretary of State the new president indicated that foreign trade problems would not be disregarded.

The Secretary immediately set to work by attending the London Economic Conference. However, this proved to be something of a fiasco, and the first constructive step in advancing trade theories was taken at Montevideo, December 5, 1933. Early in November it had appeared that the Secretary would be checkmated again when Roosevelt declared that economic problems would not be discussed by the American delegation. However, this prohibition was nicely side-stepped by Secretary Hull, and he returned with a pleasing number of commercial documents, the most important of which was a Resolution in Economics, Commercial and Tariff Policy. The American Republics "are impressed," it read, "with the disastrous effects of trade obstructions upon world prosperity and will therefore promptly undertake to promote trade among their respective peoples and other nations and to reduce trade barriers through the negotiation of comprehensive reciprocity treaties based upon mutual concessions; and...[they] call upon other governments of the world to subscribe to the policy...of gradually reducing tariffs and other barriers..."

---

9 New York Times, November, 1933.
10 Final Act, Montevideo, pp. 21-24.
And in addition the resolution called upon inter-American governments to negotiate trade treaties based upon the principle of unconditional most-favored-nation treatment.

The Montevideo Conference also provided for the holding of a commercial conference by the Pan-American Union, and this provision was carried out in the spring of 1936 with the Buenos Aires Commercial Conference. Here the Montevideo resolution was reaffirmed and many subjects discussed and resolutions passed—designed to make commercial intercourse easier. 11

The Buenos Aires Peace Conference, December, 1936, did not fail to discuss trade questions. In outlining fundamental principles of peace, Secretary Hull declared positively: "Prosperity and peace are not separate entities. To promote one is to promote the other." 12 The United States delegation introduced two resolutions, both supporting the principles of Montevideo and these were adopted with but one dissenting vote. 13

The Lima Conference of 1938 adopted, December 18, a more specific instrument regarding trade relations, wherein high tariff quotas, licences, exchange controls and other methods of controlling foreign trade were specifically pointed out and condemned. By this resolution the American Republics again:


12 Addresses and Statements: Buenos Aires, p. 15.

endorse the negotiation of trade agreements, embodying the principle of equality of treatment, as the most beneficial and effective method of extending and facilitating international trade...

Through these various resolutions the United States has declared her adherence to a policy of increasing trade with other nations and especially with Latin America. Therefore, it has not been surprising to find that she has concluded some eleven reciprocal trade agreements with these countries.

In order to determine the effectiveness of the reciprocal trade policy in increasing inter-American trade it is necessary to examine the major provisions of the agreements and then to observe trade trends as evidenced in statistics.

Before going further, however, it is essential to point out the very real difficulties in interpreting such figures. Agreements have been made effective at varying times and cover a various number of exports and imports. A number of the agreements have only been completed in the past two years and, hence, conclusions can not cover long-time trends. The European War has also upset relations. Then it is always possible to use isolated instances either in support of or against the trade program. However, perhaps certain general conclusions may be used after brief analysis of the facts and figures.

As for the trade treaties themselves all have certain fundamental characteristics. With the exception of the Cuban treaty every agreement

---

1 Final Act; Lima, (Int. Council.), pp. 163-64.
contains the reciprocal granting of most-favored-nations. Provisions are also made for the effective administration of the treaties and for termination if either party so desires. Two schedules are provided—one of trade concessions by the United States and the second of trade concessions to this country. These concessions are of two kinds, outright reduction of duties and "binds," or guarantees, against duty increases during the life of the agreement.

Of the eleven trade treaties signed with Latin American three are of greater importance—those with Cuba, Brazil and Colombia—deserve individual attention.

Of these the Cuban treaty was the first to become effective, September 3, 1934. Under the terms of this agreement the United States received reduced duties on automobiles, textiles, hog lard, and certain machinery—all important items of our Cuban trade. In return the United States granted reduced duties on sugar, tobacco and fresh vegetables, and the 2,000,000 short ton quota on sugar was also extended. A glance at Tables III and IV (page 44 and 45) will show that under this agreement our trade with Cuba has steadily increased. The decrease in 1938 reflected a general world trade deflation, while 1939 again evidenced an upward trend. The figures on Cuban sugar exports are also interesting in showing the effects

---

15 Because of Cuba's close economic affinity with the United States certain of her products, notably sugar, receive preferential treatment in American markets.

16 Text in Executive Agreement Series, No. 67, resume Press Releases, August 6, 1934.
### TABLE III

**UNITED STATES EXPORTS to LATIN AMERICAN COUNTRIES**  
*(in terms of thousands of dollars)*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>210,288</td>
<td>31,133</td>
<td>42,688</td>
<td>49,374</td>
<td>56,910</td>
<td>64,183</td>
<td>68,793</td>
<td>71,114</td>
</tr>
<tr>
<td>Bolivia</td>
<td>5,886</td>
<td>2,163</td>
<td>5,118</td>
<td>2,829</td>
<td>3,464</td>
<td>3,863</td>
<td>5,385</td>
<td>4,512</td>
</tr>
<tr>
<td>Brazil</td>
<td>108,767</td>
<td>28,600</td>
<td>40,376</td>
<td>48,019</td>
<td>69,651</td>
<td>61,957</td>
<td>60,441</td>
<td></td>
</tr>
<tr>
<td>Chile</td>
<td>55,776</td>
<td>5,569</td>
<td>12,050</td>
<td>14,949</td>
<td>15,759</td>
<td>23,997</td>
<td>24,603</td>
<td>28,769</td>
</tr>
<tr>
<td>Colombia</td>
<td>48,983</td>
<td>10,670</td>
<td>21,943</td>
<td>27,729</td>
<td>39,200</td>
<td>40,862</td>
<td>61,295</td>
<td></td>
</tr>
<tr>
<td>Costa Rica</td>
<td>8,313</td>
<td>2,435</td>
<td>5,126</td>
<td>3,027</td>
<td>4,477</td>
<td>5,449</td>
<td>9,786</td>
<td></td>
</tr>
<tr>
<td>Cuba</td>
<td>128,909</td>
<td>28,755</td>
<td>45,323</td>
<td>60,153</td>
<td>67,421</td>
<td>92,283</td>
<td>76,531</td>
<td>81,644</td>
</tr>
<tr>
<td>Dominican Rep.</td>
<td>14,190</td>
<td>4,620</td>
<td>5,820</td>
<td>4,518</td>
<td>4,573</td>
<td>6,469</td>
<td>5,696</td>
<td>5,780</td>
</tr>
<tr>
<td>Ecuador</td>
<td>6,069</td>
<td>1,754</td>
<td>2,643</td>
<td>3,328</td>
<td>5,052</td>
<td>3,511</td>
<td>5,900</td>
<td></td>
</tr>
<tr>
<td>Guatemala</td>
<td>11,525</td>
<td>2,820</td>
<td>4,070</td>
<td>3,918</td>
<td>4,553</td>
<td>7,612</td>
<td>8,681</td>
<td>8,674</td>
</tr>
<tr>
<td>Haiti</td>
<td>8,790</td>
<td>4,055</td>
<td>3,446</td>
<td>3,250</td>
<td>3,942</td>
<td>4,084</td>
<td>3,642</td>
<td>5,140</td>
</tr>
<tr>
<td>Honduras</td>
<td>12,811</td>
<td>4,473</td>
<td>5,993</td>
<td>5,633</td>
<td>4,900</td>
<td>5,568</td>
<td>6,292</td>
<td>5,812</td>
</tr>
<tr>
<td>Mexico</td>
<td>133,863</td>
<td>32,527</td>
<td>55,061</td>
<td>65,574</td>
<td>76,041</td>
<td>109,400</td>
<td>62,016</td>
<td>83,177</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>7,031</td>
<td>1,993</td>
<td>2,524</td>
<td>2,454</td>
<td>2,412</td>
<td>3,353</td>
<td>2,807</td>
<td>4,297</td>
</tr>
<tr>
<td>Panama</td>
<td>41,153</td>
<td>15,609</td>
<td>18,335</td>
<td>20,615</td>
<td>22,717</td>
<td>24,981</td>
<td>10,165</td>
<td>12,752</td>
</tr>
<tr>
<td>Paraguay</td>
<td>1,560</td>
<td>281</td>
<td>647</td>
<td>700</td>
<td>324</td>
<td>743</td>
<td>644</td>
<td>476</td>
</tr>
<tr>
<td>Peru</td>
<td>28,176</td>
<td>3,962</td>
<td>9,891</td>
<td>12,174</td>
<td>16,159</td>
<td>19,001</td>
<td>19,822</td>
<td>19,246</td>
</tr>
<tr>
<td>El Salvador</td>
<td>8,050</td>
<td>2,289</td>
<td>3,150</td>
<td>3,558</td>
<td>2,794</td>
<td>5,628</td>
<td>3,526</td>
<td>4,172</td>
</tr>
<tr>
<td>Uruguay</td>
<td>28,245</td>
<td>3,217</td>
<td>6,120</td>
<td>6,223</td>
<td>8,531</td>
<td>13,203</td>
<td>5,600</td>
<td>6,177</td>
</tr>
<tr>
<td>Venezuela</td>
<td>45,325</td>
<td>10,229</td>
<td>19,261</td>
<td>18,855</td>
<td>24,079</td>
<td>46,446</td>
<td>51,278</td>
<td>61,962</td>
</tr>
</tbody>
</table>

| Totals        | 911,809    | 195,163    | 307,284    | 344,366    | 395,045    | 578,205    | 479,580    | 549,236    |

---

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>117,581</td>
<td>15,779</td>
<td>29,497</td>
<td>65,408</td>
<td>65,862</td>
<td>136,940</td>
<td>40,709</td>
<td>61,920</td>
</tr>
<tr>
<td>Bolivia</td>
<td>379</td>
<td>6</td>
<td>22,162</td>
<td>570</td>
<td>667</td>
<td>1,463</td>
<td>665</td>
<td>2,029</td>
</tr>
<tr>
<td>Brazil</td>
<td>207,686</td>
<td>67,139</td>
<td>91,454</td>
<td>99,655</td>
<td>102,604</td>
<td>120,638</td>
<td>87,933</td>
<td>107,243</td>
</tr>
<tr>
<td>Chile</td>
<td>102,026</td>
<td>12,278</td>
<td>22,910</td>
<td>24,101</td>
<td>25,804</td>
<td>46,966</td>
<td>28,928</td>
<td>40,728</td>
</tr>
<tr>
<td>Colombia</td>
<td>105,525</td>
<td>60,846</td>
<td>47,115</td>
<td>50,445</td>
<td>43,065</td>
<td>52,346</td>
<td>49,398</td>
<td>49,963</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>5,203</td>
<td>5,667</td>
<td>2,102</td>
<td>5,089</td>
<td>3,147</td>
<td>4,434</td>
<td>4,102</td>
<td>1,250</td>
</tr>
<tr>
<td>Cuba</td>
<td>207,421</td>
<td>58,350</td>
<td>78,929</td>
<td>104,803</td>
<td>127,475</td>
<td>146,046</td>
<td>105,691</td>
<td>104,930</td>
</tr>
<tr>
<td>Dominican Rep.</td>
<td>8,465</td>
<td>3,980</td>
<td>5,760</td>
<td>4,988</td>
<td>5,353</td>
<td>7,377</td>
<td>5,745</td>
<td>5,624</td>
</tr>
<tr>
<td>Ecuador</td>
<td>2,550</td>
<td>2,386</td>
<td>3,099</td>
<td>3,266</td>
<td>3,331</td>
<td>4,012</td>
<td>2,664</td>
<td>3,614</td>
</tr>
<tr>
<td>Guatemala</td>
<td>8,470</td>
<td>9,001</td>
<td>4,542</td>
<td>6,144</td>
<td>8,364</td>
<td>9,611</td>
<td>9,529</td>
<td>10,725</td>
</tr>
<tr>
<td>Haiti</td>
<td>1,235</td>
<td>611</td>
<td>1,223</td>
<td>1,161</td>
<td>1,813</td>
<td>2,896</td>
<td>2,967</td>
<td>3,051</td>
</tr>
<tr>
<td>Honduras</td>
<td>12,633</td>
<td>9,004</td>
<td>7,171</td>
<td>6,292</td>
<td>6,879</td>
<td>5,974</td>
<td>5,692</td>
<td>7,031</td>
</tr>
<tr>
<td>Mexico</td>
<td>117,733</td>
<td>57,495</td>
<td>38,495</td>
<td>42,467</td>
<td>48,939</td>
<td>60,120</td>
<td>49,930</td>
<td>56,519</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>5,746</td>
<td>1,964</td>
<td>2,668</td>
<td>2,783</td>
<td>1,695</td>
<td>3,109</td>
<td>2,476</td>
<td>2,802</td>
</tr>
<tr>
<td>Panama</td>
<td>6,361</td>
<td>5,650</td>
<td>4,167</td>
<td>5,114</td>
<td>4,594</td>
<td>4,023</td>
<td>3,562</td>
<td>3,582</td>
</tr>
<tr>
<td>Paraguay</td>
<td>529</td>
<td>100</td>
<td>404</td>
<td>745</td>
<td>460</td>
<td>1,096</td>
<td>1,530</td>
<td>1,603</td>
</tr>
<tr>
<td>Peru</td>
<td>50,167</td>
<td>3,685</td>
<td>619</td>
<td>7,362</td>
<td>9,023</td>
<td>16,025</td>
<td>12,813</td>
<td>13,948</td>
</tr>
<tr>
<td>El Salvador</td>
<td>3,950</td>
<td>1,443</td>
<td>2,339</td>
<td>4,554</td>
<td>5,021</td>
<td>8,663</td>
<td>6,767</td>
<td>6,957</td>
</tr>
<tr>
<td>Uruguay</td>
<td>18,977</td>
<td>2,104</td>
<td>4,711</td>
<td>6,887</td>
<td>12,232</td>
<td>13,809</td>
<td>4,761</td>
<td>9,376</td>
</tr>
<tr>
<td>Venezuela</td>
<td>51,224</td>
<td>20,294</td>
<td>22,120</td>
<td>21,428</td>
<td>25,258</td>
<td>22,770</td>
<td>20,032</td>
<td>23,612</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,044,127</td>
<td>325,262</td>
<td>587,162</td>
<td>460,997</td>
<td>502,209</td>
<td>672,611</td>
<td>442,947</td>
<td>517,674</td>
</tr>
</tbody>
</table>
of the agreement as the following table shows:

TABLE V

CUBAN EXPORTS of RAW SUGAR
(in thousands of pesos)

<table>
<thead>
<tr>
<th></th>
<th>1929</th>
<th>1932</th>
<th>1933</th>
<th>1934</th>
<th>1935</th>
<th>1936</th>
<th>1937</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U. S.</td>
<td>146,889</td>
<td>24,684</td>
<td>46,639</td>
<td>59,488</td>
<td>69,911</td>
<td>84,944</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>105,625</td>
<td>39,662</td>
<td>45,662</td>
<td>62,600</td>
<td>75,637</td>
<td>89,600</td>
<td>104,645</td>
</tr>
</tbody>
</table>

From these figures it would seem that the Cuban agreement has resulted in a decided improvement in Cuban sugar exports to the United States. Although the treaty was only effective some four months in 1934 this year's figure is much higher than both previous years. It is also clear that almost the whole increase in the total Cuban sugar exports has been the American increase.

Conversely, the increased purchasing power of the Cuban people has reflected in larger purchases of automobiles which has almost wholly been to the advantage of the United States. This is shown by Table VI.

TABLE VI

CUBAN IMPORTS of AUTOMOBILES
(in thousands of pesos)

<table>
<thead>
<tr>
<th></th>
<th>1929</th>
<th>1932</th>
<th>1933</th>
<th>1934</th>
<th>1935</th>
<th>1936</th>
<th>1937</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. S.</td>
<td>6,499</td>
<td>991</td>
<td>499</td>
<td>1,337</td>
<td>2,705</td>
<td>3,823</td>
<td>4,406</td>
</tr>
<tr>
<td>Total</td>
<td>6,539</td>
<td>606</td>
<td>1,381</td>
<td>2,729</td>
<td>5,727</td>
<td>4,438</td>
<td></td>
</tr>
</tbody>
</table>

The reciprocal trade agreement with Cuba may certainly be called a success. It has increased the foreign commerce between Cuba and the United States particularly in those products affected by the agreement and has also, through duty reductions, undoubtedly benefited the consumer in lower prices for the products affected by the agreement.

In 1929 Brasil was our fourth largest customer in Latin America as well as being the chief source of our imports, measured in dollars. Therefore, State Department officials were pleased when a trade agreement with Brasil became effective, January 1, 1936. The United States received reduced duties on automobiles, paints, varnishes, canned salmon and a variety of other goods as well as binds against increased duties on a long list of other items. Brasil received a bind of no duty on coffee, her principal export to the United States, and reduced duties notably on manganese ore, brasil nuts, and castor beans.

A glance at the Tables III and IV immediately shows some interesting facts. United States-Brasilian trade began to revive noticeably by 1934 and continued to do so until the 1936 slump. However, in the case of United States exports to Brasil it would seem that the agreement had no drastic effect in increasing this half of the trade, for the increase in 1936 and after is no more than normal. On the other hand, with Brasilian exports to the United States the increase would seem more than ordinary, jumping from $36,000,000 in 1936 to more than $102,000,000 during 1938.

---

17 Text Executive Agreement Series, No. 62; resume Press Releases, February 2, 1936.
These characteristics are further borne out by the following figures:

**TABLE VII**

**CASTOR BEANS and AUTOMOBILE TRADE between U.S. and BRAZIL**

<table>
<thead>
<tr>
<th></th>
<th>1934</th>
<th>1935</th>
<th>1936</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Exports of Automobiles to Brazil (number of cars)</td>
<td>16,640</td>
<td>16,618</td>
<td>17,402</td>
</tr>
<tr>
<td>U.S. Imports of Castor Beans (metric tons)</td>
<td>22,776</td>
<td>25,240</td>
<td>29,212</td>
</tr>
</tbody>
</table>

No increase in automobile exports over that which might be expected occurred during 1936. However, a somewhat greater increase in exports of castor beans took place after the trade agreement was effective. It would seem that the Brazilian trade agreement has had certain positive benefits to Brazil, but for the United States these benefits have been negative—no decrease in trade has been felt, and since coffee continued on the free list, no increase in the domestic price of coffee has burdened the consumers of this beverage.

The treaty with Colombia constitutes the third of the more important Latin trade agreements. In 1929 Colombia rated fourth as a source of American imports and sixth as a market for our exports. By the agreement

---

which became effective, May 20, 1936, the United States received substantial
duty reductions on a long list of products including hog lard, automobiles,
trucks, hosiery, business machines and various foods, as well as assurances
against increases on another long list. Colombia was assured that coffee,
bananas, uncut emeralds and the like would remain on the free list and
given reductions on castor beans, natural ipêêêêê and balsam. If the
figures in Table IV are consulted it would seem that the trade agreement
has had no appreciable influence on United States imports from Colombia,
those continuing to increase or decrease without apparent reason both be-
fore and after the trade agreement. A slightly different picture is
shown by Table III on United States export figures. During 1936, the
year in which the trade agreement was first effective, a definite increase
is noted over the stationary figures of 1934 and 1935. This increase was
even greater during 1937. Investigation of articles affected by the agree-
ment shows a similar situation.

TABLE VIII

AUTOMOBILE and BALSAM TRADE between U. S. and COLOMBIA
(in thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>1929</th>
<th>1931</th>
<th>1936</th>
<th>1938</th>
<th>1937</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. S. Exports of automobiles</td>
<td>4,068</td>
<td>237</td>
<td>1,237</td>
<td>1,745</td>
<td>2,676</td>
</tr>
<tr>
<td>U. S. Imports of balsam</td>
<td></td>
<td></td>
<td>26</td>
<td>31</td>
<td>31</td>
</tr>
</tbody>
</table>

1\textsuperscript{Text Executive Agreement Series, No. 89; resume Press Releases, October 12, 1938}
These figures indicate the same trends as the total foreign trade figures did—United States imports of balsam seem not to be affected by the agreement but to increase or decrease at will, while our automobile exports to Colombia decidedly increased after 1938. The Colombian trade agreement would seem to have been of decided advantage to the United States, and to have worked no great hardship on Colombia.

The United States has concluded six trade agreements with Caribbean countries, Haiti, Honduras, Guatemala, Nicaragua, El Salvador, and Costa Rica. In 1936 an agreement of similar character was concluded with Ecuador and may therefore be considered in the same group. In each of these treaties the United States received duty reductions or binds against increases on long lists of manufactures and foodstuffs. In return she agreed to maintain coffee, cacao, bananas, and raw deerskins on the free list and granted duty reductions on minor exports to the United States.

In analyzing the trade figures as compiled in Table IX (page 81) some interesting trends are apparent. A general decrease of United States exports is noted in 1938, probably because a number of important agricultural trade products were adversely affected by the drought in this country. The general drop of the 1939 trade is also noted during that year except in the cases of Costa Rica and Honduras.

The trade agreements with Costa Rica, Guatemala, and El Salvador have had, apparently, a salutary influence upon the American export trade.

---

20 Texts in Executive Agreement Series, Nos. 78, 86, 92, 96, 101, 103, 138.
### TABLE IX

UNITED STATES TRADE with SEVEN LATIN AMERICAN COUNTRIES  
(in terms of thousands of dollars)

<table>
<thead>
<tr>
<th></th>
<th>1929</th>
<th>1932</th>
<th>1934</th>
<th>1935</th>
<th>1936</th>
<th>1937</th>
<th>1938</th>
<th>1939</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costa Rica</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>8,313</td>
<td>2,435</td>
<td>3,123</td>
<td>2,316</td>
<td>3,027</td>
<td>4,247</td>
<td>5,449</td>
<td>9,786</td>
</tr>
<tr>
<td>Imports</td>
<td>5,203</td>
<td>3,667</td>
<td>2,102</td>
<td>3,089</td>
<td>3,347</td>
<td>4,434</td>
<td>4,102</td>
<td>3,230</td>
</tr>
<tr>
<td>Ecuador</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>6,069</td>
<td>1,754</td>
<td>2,343</td>
<td>2,843</td>
<td>3,326</td>
<td>5,052</td>
<td>3,511</td>
<td>5,900</td>
</tr>
<tr>
<td>Imports</td>
<td>5,830</td>
<td>2,586</td>
<td>3,099</td>
<td>3,266</td>
<td>3,331</td>
<td>4,012</td>
<td>2,564</td>
<td>3,614</td>
</tr>
<tr>
<td>Guatemala</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>11,525</td>
<td>2,820</td>
<td>4,070</td>
<td>3,918</td>
<td>4,355</td>
<td>7,612</td>
<td>6,861</td>
<td>8,574</td>
</tr>
<tr>
<td>Imports</td>
<td>8,470</td>
<td>4,501</td>
<td>4,543</td>
<td>6,144</td>
<td>8,364</td>
<td>9,611</td>
<td>9,629</td>
<td>10,726</td>
</tr>
<tr>
<td>Haiti</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>8,790</td>
<td>4,055</td>
<td>3,456</td>
<td>3,250</td>
<td>3,942</td>
<td>4,084</td>
<td>3,642</td>
<td>5,140</td>
</tr>
<tr>
<td>Imports</td>
<td>11,045</td>
<td>611</td>
<td>1,223</td>
<td>1,121</td>
<td>1,018</td>
<td>2,896</td>
<td>2,987</td>
<td>3,031</td>
</tr>
<tr>
<td>Honduras</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>12,811</td>
<td>4,473</td>
<td>5,993</td>
<td>5,633</td>
<td>4,809</td>
<td>5,568</td>
<td>5,292</td>
<td>5,812</td>
</tr>
<tr>
<td>Imports</td>
<td>12,933</td>
<td>9,024</td>
<td>7,791</td>
<td>6,226</td>
<td>6,078</td>
<td>5,674</td>
<td>5,692</td>
<td>7,031</td>
</tr>
<tr>
<td>Nicaragua</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>7,051</td>
<td>1,993</td>
<td>2,524</td>
<td>2,494</td>
<td>3,312</td>
<td>3,555</td>
<td>2,687</td>
<td>4,297</td>
</tr>
<tr>
<td>Imports</td>
<td>5,738</td>
<td>1,964</td>
<td>1,688</td>
<td>2,765</td>
<td>1,925</td>
<td>5,103</td>
<td>2,478</td>
<td>2,902</td>
</tr>
<tr>
<td>El Salvador</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports</td>
<td>8,050</td>
<td>2,289</td>
<td>3,130</td>
<td>2,631</td>
<td>2,794</td>
<td>3,628</td>
<td>3,528</td>
<td>4,172</td>
</tr>
<tr>
<td>Imports</td>
<td>3,680</td>
<td>1,143</td>
<td>2,539</td>
<td>4,834</td>
<td>5,021</td>
<td>8,565</td>
<td>4,751</td>
<td>9,376</td>
</tr>
</tbody>
</table>

1. These figures repeated from Tables III and IV.


3. Trade agreements effective on indicated dates.

4. Trade agreement terminated.
with those countries, for in each case the rise in exports has exceeded somewhat the rise which might have been expected in a normal business recovery. With Ecuador, Haiti and Honduras benefits are less sure, the general increases probably being just normal. In the case of Nicaragua the question is debatable. If the decrease of 1928 be ascribed to the termination of the trade agreement, it might be assumed that the agreement had a beneficial effect in 1927. However, in view of the fact that the Nicaraguan trade revived in 1929 without the aid of the trade treaty, it would seem that the 1928 drop was due to the business recession.

Taking the other side of the trade, American imports, it would seem that slight or relative decreases of stationary trade has occurred in Costa Rica, Ecuador, Honduras and Nicaragua, probably ascribed not so much to the trade agreements as to a variable domestic consumption of bananas and to world coffee prices which have been lowered during those years. In Haiti increases are no more than the general recovery revival. However, with Guatemala and El Salvador import increases are of such a relatively larger nature after the agreements were effective that they may be attributed to the beneficial effects of the agreements.

In general, the trade agreement program in the Caribbean has distributed mixed benefits. Undoubtedly, the Caribbean countries have benefited in the maintenance of their exports on the free list, particularly bananas, for this is a semi-luxury food on which domestic consumption could be cut down in the face of rising prices due to import barriers. The American people have also benefited from this arrangement. Advantages
to the American export trade have been mixed and increases have probably resulted more from outside influences than from the trade agreements themselves.

The eleventh trade agreement was concluded with Venezuela late in 1938\textsuperscript{21} and has not been in force long enough to evaluate its importance. However, it has superseded a commercial agreement granting reciprocal most-favored-nation treatment, and certain trends might be considered on the basis of this agreement. The United States concluded three treaties of this nature, with Ecuador in 1936, with Chile, 1938, and with Venezuela, 1938.\textsuperscript{22} The figures in Table IX do not show any appreciable increase in Ecuadorian trade under this treaty. Tables III and IV show very nearly the same trends for Chile and Venezuela.

If the total figures of the export and import trade between the United States and Latin America as indicated in Tables III and IV are noted, it will be seen that a general and rather even trade revival had begun by 1934 and continued down to the slump of 1936. The upward trend returned in 1939.

Distasteful as it may be to those who believe in the reciprocal trade program, it would seem that no great extra benefits can be claimed either for the United States or for Latin America as arising from the trade treaties themselves. The turn of foreign commerce would seem to be at a

\textsuperscript{21}\textit{Press Releases}, November 6, 1939.

\textsuperscript{22}\textit{Executive Agreement Series}, Nos. 93, 119, 122, 146.
rate consistent with the more general upswing of business conditions following 1933. The one exception is Cuba. Here the trade agreement has worked to the advantage of both countries in a truly reciprocal manner.

The benefits derived from the trade treaties must be measured negatively. They have not decreased trade, and undoubtedly they have allowed the normal return of commerce to take place. This has been particularly true in the Caribbean, as has been pointed out.

It should also be noted that the Latin American countries themselves have not been extraordinarily cooperative. Although the Pan-American Conferences have been profuse in their denunciations of trade barriers, all of them have used the very methods condemned. The United States has been the least offender in this sphere.

Undoubtedly the mere adoption of the reciprocal trade program has helped to bring up the prestige of the United States in Latin America. This country, in adopting the continued high tariffs during the twenties, was blamed in part for the general world depression, as President Terra of Uruguay pointed out at Montevideo. While the benefits of these reciprocal trade treaties have been negative to the trade itself, the benefits politically have been positive.

---

CHAPTER IV

CONTINENTAL SOLIDARITY

"As the peoples of America have achieved spiritual unity..."

Declaration of Lima

Few aspects of the good neighbor policy of Franklin Roosevelt and Cordell Hull have been so consistently discussed in these last years as that of continental solidarity between the Americas. It would be difficult to say to what extent the idea of solidarity was inherent in the earliest good neighbor expressions, or whether it has been added as the European scene changed after the consolidation of Adolf Hitler's power in June, 1934. Certainly, it has been the threatening European situation which has brought about the unity existing today. Perhaps it is not too much to say that the conception of friendly solidarity between the Anglo-Saxon and Latin American nations was inherent in a policy of neighborly relations, but that the particular form which the solidarity has taken has been due to the extraordinary world situation. It is the development of this form that is of particular interest now, for having laid a basis of friendly relations through policies of non-intervention and freer trade, it was possible to advance inter-American solidarity when the crisis came.

It is generally conceded that Secretary Hull went to the Montevideo Conference in 1933 as a delegate of a country disliked and distrusted
below the Rio Grande. The very organization which sponsored the meeting, the Pan American Union, was threatened with dissolution. Wars and threats of wars clouded the opening sessions and the prospect of any sort of unity among the represented states seemed beyond the ken of man. However, there was one gentleman who hoped and acted—that man was Cordell Hull of the disliked American state. He believed that the Montevideo Conference could be made effective, and he made it so.

He called upon the delegations simply and informally, and did not demand a program according to United States standards. He simply presented himself and his proposals and asked that they be given consideration. The diplomacy worked and amazed the world. The conference delegates adopted ninety-five resolutions, six conventions, and one protocol, and declared themselves ready to encourage the adoption of these measures by the home governments.

When the conference opened there were five general peace treaties affecting one or more of the states of this hemisphere: the Goodra Treaty of 1923, the Kellogg-Briand Treaty of 1928, the Conciliation Convention and the Inter-American Arbitration Treaty of 1929 and the Argentina Anti-War Treaty of 1933. To none of these did every nation adhere, although each had signed at least one. In a dramatic committee session of December 15, 1933, the American Secretary of State rose to propose that all the twenty-one states agree to sign all the peace pacts. It was then too, that he clearly invoked the idea of a common policy for the Americas.

1Addresses and Statements: Montevideo, pp. 30-36.
when he spoke of the United States coming to Montevideo:

because we share in common the things that are vital to the entire material, moral, and spiritual welfare of the people of this hemisphere, and because the satisfactory development of civilization itself in this Western World depends on cooperative efforts by all the Americas.

And he seemed to trace a beginning of a later attitude when he declared that "the Old World looks hopefully in this direction and we must not disappoint that hope".2

It was in this atmosphere that the conference adopted three significant measures. On December 16 the fourth resolution, recognizing that the non-adherence of certain states to the five peace treaties greatly hindered their operation, invited the States of the Americas to ratify the said treaties in order that peace be obtained between them.3

Not satisfied with this action the conference further agreed to an additional Protocol that the signatories to the Gondra Treaty would appoint the members of the commission provided for in that treaty.4

Finally, the conference agreed that it would "never be deemed an unfriendly act" for a state to offer its good offices and mediation to other states engaged in controversy which threatened to break friendly relations.5

---

2Ibid.

3Final Act; Montevideo, pp. 20-21.

4Ibid, pp. 185-86.

5Ibid, p. 85.
To typify this fine spirit of peace and cooperation one final achievement was secured. Throughout the conference the shadow of the Chaco war darkened the proceedings. A League commission working over the dispute had achieved little or no success. Though officially the subject was not to be discussed, Cordell Hull was of the opinion that something ought to be done. By negotiation, persuasion and the very force of his personality he managed to retrieve a truce between Bolivia and Paraguay in order that peace terms might be discussed.6

It seemed that the Montevideo Conference had brought about a miracle in these achievements, but the nations were not ready for the unsteady steps taken. The Mexican peace proposal, which had defined an aggressor and provided for the peaceful settlement of all disputes, was sidetracked,7 the Chaco peace was broken almost before it was begun,8 and few states accepted the invitation to ratify the peace pacts or the Additional Protocol.

Meanwhile the European situation was changing into the form which eventually forced the nations of the western hemisphere to proclaim their solidarity before the world. By 1935 the totalitarian states, namely Italy and Germany, had begun to intervene in countless irritating ways in Latin America. These factors, plus a real Chaco peace negotiation,9

7Final Act: Montevideo.
9Press Releases, February 16, 1935.
prompted President Roosevelt to suggest by letter, January 30, 1936, to the Latin American states that:

the moment has now arrived when the American Republics, through their designated representatives seated at a common council table, should seize this altogether favorable opportunity to consider their joint responsibility and their common need of rendering less likely in the future the outbreak or the continuation of hostilities between them, and by so doing, serve in an eminently practical manner the cause of permanent peace on this continent.

It has seemed to me that the American Governments might for these reasons view favorably the suggestions that an extraordinary inter-American conference be summoned to determine how the maintenance of peace among the American Republics may best be safeguarded.

The twenty republics of Latin America responded most heartily to this suggestion of the president, and Buenos Aires was accepted as the conference city. The American State Department immediately set to work to publicize the proposed meeting as an important link in our Latin American foreign policy. When in November, 1936, President Roosevelt himself decided to attend, the conference became doubly significant.

The United States had a real program which it hoped to have accepted at Buenos Aires—nothing more nor less than a declaration of solidarity by the western hemisphere, which would be a warning to the totalitarian states that this hemisphere would harbor no interference with its liberty or sovereignty by those states. The American president and Secretary of State were genuinely alarmed at the turn of European affairs were taking

---

10Raid.

11Replies released in Press Releases, April 18, 1936.
and hoped great things from Buenos Aires.

The reception given to Franklin Roosevelt was truly great. It was reported that nothing had ever equaled the crowds and cheers of every section of Latin American life.\(^{12}\) The President wasted no words in making his plea for solidarity. Before the first meeting on December 1, 1936, he pointed out that Montevideo had proclaimed "a new day in the affairs of this hemisphere" which only served to emphasize the "seriousness of the threat to peace among other nations". This "madness of a great war in other parts of the world would affect us and threaten our good in a hundred ways". In the face of this danger the Americans must live in peace and:

make it at the same time clear that we stand shoulder to shoulder in our final deliberations that others who, driven by war madness or land hunger, might seek to commit acts of aggression against us will find a hemisphere wholly prepared to consult together for our mutual safety and our mutual good.\(^{13}\)

Having stated the general program of the United States, the President left the consumation to Secretary Hull. On December 5, Hull declared an eight-point program for the Americas.

1. Education by each nation for peace.
2. "Frequent conferences between representatives of nations".
3. Adherence to the five peace pacts.

---

\(^{12}\) *New York Times*, December 2, 1936.

\(^{13}\) *Press Releases*, December 6, 1936.
4. "A common line of policy that might be pursued during a period of neutrality."

5. A liberal trade policy

6. Condemnation of isolation

7. Reestablishment of international law

8. Observance of treaties and agreements

It was along that "common line of policy" that the American Secretary hinged his program. The United States presented a number of conventions which would have set up a fairly airtight system to preserve peace within the Americas, and also would have created an Inter-American Consultative Committee to consider a common policy in the face of a war in some other part of the world. To such a definite policy most Latin American States were not ready to accede, and Secretary Hull had to be satisfied with a compromise program. This was embodied in the Convention for the Maintenance, Preservation and Reestablishment of Peace, the Convention to Coordinate, Extend and Assure the Fulfillment of the Existing Treaties between the American States; the Treaty on the Prevention of Controversies; an Inter-American Treaty on Good Offices and Mediation; and a Declaration of Principles of Inter-American Solidarity and Co-operation. By these acts the United States and Latin America recognized that "war and threat of war affects directly or indirectly all civilized peoples", and agreed to consult if either of these contingencies came to pass—whether between

14 Addresses and Statements, Buenos Aires, pp. 5-21.

the states of the Americas or in another part of the world. 16

The second convention reaffirmed the principle of consultation, and
by which the Americans would endeavor in the face of war or its threat "to
adopt in their character as neutrals a common and solidary attitude"
which might:

consider the imposition of prohibitions or restrictions
on the sale or shipment or arms, ammunition and imple-
ments of war, loans or other financial help to other
states in conflict. 17

By the Treaty on the Prevention of Controversies bilateral mixed
commissions were to be set up which could be called upon by governments
to prevent a threatened breach of peace. 18 The second treaty on Good Offices
and Mediations provided that each of the signatory republics name two indi-
viduals who could be asked to arbitrate in case of a dispute between two
or more of the republics. 19 And finally, by the Declaration of Principles
the American governments declared that:

they have a common likeness in their democratic form
of government and their common ideals of peace and justice,
manifested in the several Treaties and Conventions which
they have signed for the purpose of constituting a purely
American system tending towards the preservation of peace;
the proscription of war, the harmonious development of
their commerce and of their cultural aspirations in the
various fields of political, economic, social, scientific and

16 Convention for the Maintenance, Preservation, and Reestablishment

17 Convention to Coordinate, extend and assure the Fulfillment of the
Existing Treaties between the American States, Ibid., pp. 131-43.

18 Ibid., pp. 143-50.

19 Ibid., pp. 151-58.
Nevertheless, twenty-one states had agreed to consult in the face of a threat to peace and such consultation might result in a continental policy.

During the intervening years between the extraordinary Buenos Aires Conference and the regular Pan American Conference of 1938, which was to be held at Lima, Peru, international situation had become increasingly dark. The threat of a general European war was assuming the character of an awful certainty. In the face of this situation projects for keeping these continents out of war became ripe in every country. There was also a rising fear of totalitarian aggression which alarmed the democratic elements in the Americas. The expression of such fears was particularly evident in the Caribbean countries and in Brazil and was forcing them to turn with hope to the protection of the American navy. It was in this atmosphere that the Eighth Pan American Conference met in Lima, December, 1939.

Three blocks of opinions were represented. There was a large group of states led by Colombia and the Dominican Republic which favored the establishment of an organization akin to an American League of Nations. On the other extreme was another, smaller block led by Argentina which was opposed to any such scheme. In the center lay the policy of the United States—the amplification of the Buenos Aires treaties and conventions. During the conference it became evident to the league group that their hope

---

20Ibid., pp. 227-228.

21These views are based on New York Times reports.
lay in following the United States. These two elements, therefore, con-
stituted a majority which could have forced through a strong declaration
of solidarity and a definite program for the carrying out of such a policy
before the world. It was to the supreme credit of Cordell Hull that he re-
alized the danger of a "forced" policy which would not have carried the
Argentine group.

The Argentine Foreign Minister, José Marie Cantilo, in addressing
the opening session had declared that:

American Solidarity is a fact, which no one doubts,
and which no one could doubt...

We are resolved to resist with the same tenacity,
either by preventative measure or by continued direct
action, everything that implies a threat against the
American order, to every infiltration of men or ideas
that reflect or tend to implant in our soil and in our
spirit concepts foreign to our ideas, ideals that are
antagonistic to ours, regimes that menace our liberties,
theories that threaten the social and moral peace of our
people or political fantasies that cannot prosper under
the sky of the Americas.22

Realizing that herein lay the kernel of his policy, Secretary Hull was
willing to negotiate and accept a milder statement of solidarity which
was announced in three declarations. The first of these extended the
procedure of consultation provided for at Buenos Aires to:

any economic, cultural or other question which by reason
of its importance, justifies this procedure and in the
examination of solution of which the American States may
have a common interest.23

---


23Improvement in the Procedure of Consultation, Final Act: Lima,
(Int. Consil.), pp. 240-41.
The second of these declarations was one of "American Principles", which was for all intents and purposes a re-statement of Hull's declaration of United States principles of foreign policy of July 16, 1937. The last of the triloogy was called, upon the motion of Secretary Hull, the Declaration of Lima. Perhaps it should speak for itself:

The Eighth International Conference of American States

CONSIDERING:

That the peoples of America have achieved spiritual unity through the similarity of their republican institutions; their unshakable will for peace; their profound sentiment of humanity and tolerance, and through their absolute adherence to the principles of international law; of the equal Sovereignty of States and of individual liberty without religious or racial prejudices;

That on the basis of such principles and will, they seek and defend the peace of the continents and work together in the cause of universal concord;

That the respect for the personality, sovereignty, and independence of each American State constitutes the essence of international order sustained by continental solidarity, which historically has been expressed and sustained by declarations and treaties in force; and

That the Inter-American Conference for the maintenance of Peace, held at Buenos Aires, approved, on December 21, 1936, the Declaration of the Principles of Inter-American Solidarity and Cooperation, and approved, on December 23, 1936, the Protocol of Non-Intervention;

The Governments of the American States

DECLARE:

First. That they reaffirm their continental solidarity and their purpose to collaborate in the maintenance of the

24 Ibid., pp. 243-44.
principles upon which the said solidarity is based.

Second. That faithful to the above-mentioned principles and to their absolute sovereignty, they reaffirm their decision to maintain them against all foreign intervention or activity which may threaten them.

Third. And in case the peace, security, or territorial integrity of any American Republic is thus threatened by acts of any nature that may impair them, they proclaim their common concern and their determination to make effective their solidarity, coordinating their respective sovereign wills by means of the procedure of consultation, established by conventions in force and by declarations of the Inter-American Conferences, using the measures which in each case circumstances may make advisable. It is understood that the Governments of the American Republics will act independently in their individual capacity, recognizing fully their juridical equality as sovereign states.

Fourth. That in order to facilitate the consultation established in this and other American peace instruments the Ministers for Foreign Affairs of the American Republics, which deemed desirable and at the initiative of any one of them, will meet in their several capitals by rotation and without protocolary characters. Each Government may, under special circumstances or for special reasons designate a representative as a substitute for its minister for Foreign Affairs.

Fifth. This Declaration shall be known as the "Declaration of Lima". (Approved December 24, 1938.)

The judgement of a program comes in the success with which it will pass the test of circumstances. The world has had striking evidence of the effective character of the Declaration of Lima. In the Pan-American Day speech of President Roosevelt, April 14, 1939, he stated that the United States would defend the "American peace" and

---

26Ibid., pp. 242-43.
the echo of these sentiments was heard in Latin America.\footnote{26}

The supreme test of inter-American solidarity has come with the European War, and certainly there is no part of the world which is more unified than that of the two Americas. Upon the outbreak of hostilities September 1, 1939, the twenty-one republics automatically accepted the idea of a conference of foreign ministers of their representatives. This was held at Panama, September 23-October 3, 1939. Here twenty-one states reaffirmed their continental solidarity, provided for the establishment of an Inter-American Financial and Economic Advisory Committee to be installed in Washington, D.C., by November 15, 1939, set up a series of neutrality regulations, approved a series of declarations outlawing force and inhuman war, and finally proclaimed the Declaration of Panama.\footnote{27} The neutrality regulations cover most phases of relationships between belligerents and non-belligerents with the exception of embargoes, and condemn the expansion of contraband of war over the normal trade with belligerents. The Declaration of Panama affirms that:

As a measure of continental self-protection, the American Republics, so long as they maintain their neutrality, are of inherent right entitled to have those waters adjacent to the American continent, which they regard as of primary concern and direct utility in their relations, free from the commission of a hostile act by any non-American belligerent nation, whether such hostile act be attempted or made by land, air or sea.\footnote{28}

\footnote[26]{New York Times, April 15, 1939, et. seq.}

\footnote[27]{Press Releases, October 7, 1939, Final Act of Panama Conference.}

\footnote[28]{Ibid, pp. 331-33.}
As a result of this "right" the twenty-one states declared a 300-mile neutrality zone around the Americas, from Passamaquaddy Bay to the Strait of Juan de Fuca, which they have agreed to patrol "individually or collectively" in these waters. 29

There was another resolution of Panama which is often overlooked and yet would seem to be of particular interest. It says:

in case any geographic region of America subject to the jurisdiction of any non-American State should be obligated to change its sovereignty and that should result therefrom a danger to the security of the American continent, a consultative meeting such as the one now being held will be convoked with the urgency that the case may require. 30

Though the Monroe Doctrine is not mentioned, here appears to be a virtual admission by the Americas of the multi-lateral character of a once unilateral doctrine. This question of the character of the Monroe Doctrine has been pregnant since Buenos Aires, and especially since Lima, it has often been asserted that the Doctrine has changed color, although no official pronouncement has been made by the American government. The resolution quoted above would seem to be a tacit recognition of a Monroe or Continental Doctrine of non-colonization.

The Panama meeting fulfilled the modest hopes of the Lima declaration, and the neutrality policies were sent to the belligerent nations

29 The Declaration of Panama is without precedent in international law and probably would not be sustained in a world court. Its strength rests ultimately upon the force of the American navy. However, modern instruments of war have certainly outmoded the old 3-mile limit of territorial waters, and it is probable that this conception of international law is due for drastic change.

30 Press Releases, October 7, 1939, Final Act of Panama,
as the expression of twenty-one independent nations in the western world. Subsequently the economic committee provided for was established and began deliberations in Washington, D.C. When the Graf Spee incident occurred in Uruguayan waters, these twenty-one states immediately consulted and sent a joint protest of this violation of the Declaration of Panama to Germany, France, and Great Britain.

There are skeptics of the solidarity of the Americas. However, if one compares the picture of this hemisphere to that of any portion of the world today, it must be admitted that no other neutral section presents such a degree of unity to a warring world. Certainly the Balkans, Scandinavia or the Far East cannot compare with the relative solidarity of the Americas. Or if one compares 1939 and 1914 it is again evident that a greater solidarity exists on these continents than ever before in history.

CHAPTER V

A CULTURAL GOOD NEIGHBOR

Where man's minds and heart's remain closed to each other, eventually misunderstanding and discord arise in their commercial and political relations.

Ben H. Cherrington

While the primary principles of the good neighbor have been and remain non-intervention, reciprocal trade and solidarity, it has been increasingly stressed that a firm international relationship must be based on the understanding of human values and differing cultures. Towards the development of this ideal the State Department has given increasing thought and attention. It has been ably seconded by private initiative, both in the United States and in Latin America.

The development of this program of culture is probably of great significance in our relations with the Latin peoples, for cultural ties are important in their estimation. As Sumner Welles has pointed out:

In Latin America there is a frank skepticism as to the existence of interest here in the things of the spirit. There is admiration of our capacity for organisation and achievements in industry and business, but open crudity of our interest in literature, art, music, and philosophy. On the other hand, in the United States, knowledge of Latin American civilisation, social institutions, and economic moves is pathetically limited. 1

There are, of course, certain difficulties facing those who would attempt to bring the two Americas closer in the realms of culture. The United States has an Anglo-Saxon civilization and Latin America a Latin one. Yet, if it is possible to develop that "sympathetic appreciation of the others' point of view" of which Franklin Roosevelt has spoken, there can be no doubt of the potential development in the field of cultural relations.

As a government the United States has participated in a large number of specialized Pan American Conferences as well as the regular political meetings. In thus discussing mutual problems of health, child care, education, geography, and science, the United States is keeping its finger upon the pulse of inter-American thinking and is leaning its experiences to other nations. Out of the three primary conferences at Montevideo, Buenos Aires and Lima have come in addition a number of concrete acts. As the result of resolutions adopted in these meetings the compilation of a pan-American bibliography has been inaugurated and work begun. Out Pan American Day in 1936 the United States announced adherence to a pact signed at Montevideo whereby artistic and scientific institutions and historic monuments were to be protected in peace and war. Probably of little significance in itself, the pact indicated the growing desire of the Americas for cultural understanding.

---

2 Press Releases, April 15, 1933, Pan American Day Address.


4 Press Releases, April 20, 1935.
The most important of the cultural results of these conferences was a convention signed at Buenos Aires to promote the exchange of teachers, professors, and students between the two Americas. The United States ratified this convention in 1937, and in September, 1939, the program was inaugurated among twelve of the twenty-one republics. Under this program two students or teachers and one visiting professor are exchanged between the ratifying countries, and expenses are divided between the receiving and the sending governments. In the United States the Office of Education handles applications and appointments. There are no racial, religious, or sex prohibitions, and the fellowships may be granted in any field of study. This program of educational exchange is well worth the approval of every international citizen. These efforts are ably seconded by private foundations which grant fellowships and scholarships to Latin America.

The United States has taken one other important official step in the improvement of cultural relations. During a general reorganization of the State Department an independent Division of Cultural Relations was established in July, 1938, to coordinate the various cultural activities in which the Department already participated and to extend these further. Later in the same year an Interdepartmental Committee on Cooperation with

---


6Press Releases, July 17, 1937; September 23, 1939.

7Bulletin of the Pan American Union, December, 1934.

8Ibid, December 3, 1938.
the Latin Republics met and drew up a broad program of extended relations in communications, development of natural resources and land in Latin America, distribution of literature, and promotion of lecture tours, musical programs and film production.⁹

It is usual to point out that civilization has followed the trade and travel routes of the world. Recognizing this condition efforts have been made to extend the communication lines between North and South America. The Pan American Highway is customarily given the greatest predominance in discussions on this topic. The United States has been very much interested in the project of a highway from the Texas border to the Buenos Aires and has consistently furthered the construction of the road. The long stretch between Laredo, Texas, and Mexico City was officially opened, July 1, 1936, at which time President Cardenas expressed the "sincere conviction that this event will draw closer the relations of mutual friendship and reciprocal understanding which unite the two countries."¹⁰ Beyond Mexico City the road is not continuously finished, and there are long stretches which are not always passable. However, it is to be hoped that "Rolling down to Rio" will be more than an expression in the near future.

In addition to the highway the American government has fostered the creation of a new steamship line to South America. During October, 1936, the "Good Neighbor Fleet" began operations between the east coasts of North

---

⁹Press Releases, July 30, 1936.

¹⁰Ibid, July 4, 1936.
and South America. Earlier in January of this year the United States had agreed to a reciprocal waiver with Brazil of the passport visa fee for tourists which was designed to foster pleasure travel. Similar agreements already existed with Chile, Honduras, Colombia, Ecuador, Guatemala, Venezuela, Peru, Costa Rica, El Salvador, Mexico, Panama, and Nicaragua.

Radio as a branch of the communication system has been developed quite rapidly and the various conferences have adopted resolutions praising and recommending the extension of radio facilities. The United States has taken these seriously.

The broadcast of important speeches and pronouncements by American governmental officials has increased under the Roosevelt administration. Oftentimes an address by Roosevelt or Hull will be sent directly south on the short wave frequency and later re-broadcast in Spanish and Portuguese. Early in 1936 the Mexican government began a series of broadcasts from New York over the HBC network, the purpose of which was "that the Great American people may be better acquainted with the panorama of Mexico." Sometime later in October, 1937, the Pan American Union inaugurated a series of broadcasts to the Americas. Programs were to consist of speeches by prominent men interested in the friendly relations of the two Americas, and second, of musical selections adapted to pan-American

---

11 Ibid., October 8, 22, 1938.
12 Ibid., January 1, 1939.
interests. Only the next month another broadcast of twenty-six weekly half-hour programs was inaugurated under the sponsorship of the Office of Education. Dr. Samuel Guy Imman of the State Department cooperated fully in arranging and organizing the programs. Taking the title "Brave New World" the programs were to be an introduction to Latin American history. Random titles of individual broadcasts were the "Empire of the Sun", "The Christ of the Andes", and "Juarez". Music, art, science and trade were stressed in addition to history, and the programs were designed to please "Tom Brown and the Professor." The New York Times called this "an admirable extension of the good neighbor policy."

By 1938 the two national broadcasting systems, NBC and CBS, were sending regular short-wave programs to Latin America daily. The programs were especially designed for Latin tastes, and announcements were made both in Portuguese and Spanish. The sponsors admitted that the programs were "a conscious effort of the public service to present interesting aspects of American life." In March, 1938, the General Electric Company opened a radio channel to Brazil with Schenectady, New York, as headquarters.

---

16 Ibid.
17 Ibid, February 20, 1938.
18 Ibid, March 5, 1938.
Lawrence Duggen, Chief of the Division of American Republics of the State Department, gave the opening address and pointed out that "the realization is growing that amicable relations in this hemisphere can be strengthened permanently through open and free faculties for cultural inter-change."

Although these developments in the field of education, communication and radio have been the spectacular elements of an inter-American cultural program, there have been other incidents worth noting. In October, 1936, a Guatemalan display was held in New York City where native costumes, curios, treasures and handicrafts were displayed, as well as a fine collection of pictures showing Mayan and pre-Mayan culture.

In Rio de Janeiro a leading newspaper, Diario do Noticias, began, July 4, 1938, a weekly six-page supplement on the United States and its influence on Brazilian life.

In the same country at Sao Paulo the university students founded in June, 1938, an institute to promote United States-Brazilian cultural relations. A similar institute was already established at Rio de Janeiro. A group of the New York high school students formed, '35, a Pan American Student League and held a week-end conference where addresses were read and Latin American music featured.

---

19 Press Releases, March 6, 1938.
21 Ibid., May 18, 1938, July 5, 1938.
22 Ibid., June 18, 1938.
23 Ibid., May 26, 1935.
has featured Latin American relations both political and cultural during the past two Inter-American conferences at Buenos Aires and Lima.

Pan American Day, 1939, was also featured in this magazine. The colleges and universities of the United States are, too, awakening to the task of education and are offering a larger curricula in Latin American history and civilisation. Professor Baltem at the University of California has been a leader in this work.

Finally, no one should fail to mention the yeomen service of the Pan American Union. In the monthly bulletin of the organization are excellent articles discussing inter-American music, art, folk dancing, architecture, travel, and general interest themes. Pictures of scenery, industry, notable men and the works of artists are often included. Four radio broadcasts of Pan American music are given yearly with visiting national conductors. The Union has also a vast amount of material on file which it will supply to schools at little cost for Pan American Day programs. These are but some of the outstanding contributions to the building of cultural relations between the Americas.

As Lawrence Duggen has said, "We have only made a beginning." The expansion of inter-American cultural relations is a wide-open field. Americans have only begun to realize how Mexican art has influenced ours, how

---

24Scholastic, December 12, 1936; December 10, 1938; April 1, 1939.

25Based on survey of Bulletin of the Pan American Union, 1933-1939.

26Press Releases, September 27, 1938, radio address.
Latin music has invaded the United States in the tango and in modern jazz, how the "Spanish" influence has made its mark on domestic architecture. A magnificent native culture already exists upon which the modern Nordics and Latins may build a truly "western" culture. It is a sad reflection that the unifying force may be the destruction of that older, "western" civilization of the European continent.
CHAPTER VI

PUBLIC OPINION AND THE GOOD NEIGHBOR POLICY

No one now speaks of United States intervention...  

La Prensa (Buenos Aires)

It is always a difficult task to analyze the public opinion upon a policy, for one cannot be sure to just what extent, the spoken word in a newspaper or a magazine represents the true feeling of the reading public. The most that can ordinarily be gleaned from these sources are trends and indications of opinion. In this regard measurement of the good neighbor policy has been no exception, for in addition to the regular difficulties there has been in some respects a real lack of adequate source material available here. In the field of newspapers only The New York Times, The Christian Science Monitor, and The Oregonian have been studied. Magazine material is more nearly adequate, most of the national weeklies, monthlies and quarterlies being available. In analysing Latin American opinion secondary sources have almost wholly been consulted—dispatches and quotations in The New York Times and in the magazine articles. However, in spite of these handicaps some indication of popular response to the good neighbor policy both in North and South America may be usefully gained through study of these sources.

Quite generally the United States overlooked the pledge of Franklin D. Roosevelt to dedicate this country to the "policy" of the good
neighbor. It was not really until the Cuban difficulties came to face the country in the summer of 1933 that expression began, and it would seem to have lined up on the side of the good neighbor. The stated policy of the government of allowing Cubans to work out their own destiny appealed to the spirit of reform and idealism which inaugurated the New Deal. Indeed, some even wished for a larger measure of non-intervention in Cuba, and the Christian Science Monitor, which had supported the government in sending warships, began advocating the recognition of Grau San Martin in November, 1933. Even after the repeal of the Platt Amendment and the completion of the trade treaty the Foreign Policy Association continued to condemn "intervention" in Cuba. However, in general the action on the Platt Amendment and the trade treaty would seem to have met with approval. The Senate voted unanimously for the repeal although Fess of Ohio refused to vote.

The United States has shown its approval not so much in direct approbation of the Latin American good neighbor policy as in lauding the results. During the Montevideo conference, December, 1933, Harold Hinton and John W. White, correspondents of The New York Times, both reported a reversal of attitude in the customary Latin feeling toward the American delegation. Of this they approved. Carleton Beals.

1 Christian Science Monitor, November, 22, 1933.
3 Ibid, June 1, 1934.
writing before the conference, indicated a sincere desire for the reversal of the long established policy of American imperialism. Indeed, the entire spirit of newspaper and magazine comment on Montevideo was favorable to the policy of non-intervention and friendly relations which the American delegation assumed.

It would not be too much to say that until the Mexican oil expropriations came to disturb the relative calm of inter-American relations, there appeared little criticism of the good neighbor policy. As Albert Shaw, an American editor, wrote in May, 1936: "President Roosevelt's 'good neighbor' policy is not partisan in character, nor is it other than a continuation of the well-established attitude of the United States toward peace and harmony in the western hemisphere." In addition the weekly news magazines as The Literary Digest, Time and the News Week gave accounts sympathetic to the American policy during the conferences at Buenos Aires and Lima. Time noted that the New York Herald Tribune, an anti-Roosevelt, Republican paper was forced to report that:

It is agreed that the prestige of the United States has never been so high among its twenty sister American republics as at present, and the goodwill dividends of the Presidents good neighbor policy should be a great asset in the next few years, especially if Europe goes to the brink of war.

7Time, January 4, 1937.
In evaluating the conventions and declarations of Buenos Aires, most reporters and authors felt something solid had been accomplished. Although the *Oregonian* is a conservative, anti-Roosevelt paper, it admitted that the Buenos Aires inter-American pact was "worth trying," and after Lima this paper almost became enthusiastic in approving the Declaration of Lima as "just right."  

As President Roosevelt has continued to declare that this country must arm for the two continents, there has been considerable criticism of the stand taken, and especially of the Declaration of Panama. The *New York Times*, a consistent approver of the progress of the good neighbor policy, pointed out that there was something that might require force to maintain and that the American people should realize this. However, it admitted that there were certain advantages to be gained from the 500-mile limit as set up at Panama. In October, after the war had begun, a Gallup poll indicated the changing attitude of this country in showing that 73% of the American people would defend Canada if invaded, 72% all countries within 5,000 miles and 63% South America. A previous poll taken in 1938 had shown only 33% as willing to defend the South American countries. Perhaps this poll indicates that the American people are lining up behind the Panama Declaration.

On no point has the good neighbor policy received more criticism.

---

8 *Oregonian*, December 18, 1939; December 26, 1939.

9 *New York Times*, October 6, 1939.

10 Ibid., October 6, 1939.
than over the Mexican oil properties and the temporizing policy of the United States toward expropriations. The attitude taken is that the United States overplayed the good neighbor act and has thereby endangered foreign investments. And yet even on this point the measures taken by the government seem to have satisfied a large part of the public. Business Week indicated at the time of the seizure in March, 1938, that only "feeble" efforts could be expected from Washington, for to antagonize Mexico now, "is to jeopardize the good neighbor policy in all Latin America, which in time would be playing directly into the hands of the dictators in Europe and in the Orient."  

Even The Christian Science Monitor, liberal in foreign policy, approved of the suspension of the Mexican silver purchases and the strong Hull note of July 21, 1938. As these editorials pointed out, Mexico was not playing the good neighbor in the expropriations and in earlier tariff increases to a United States who was buying silver to her own detriment.

The question of the trade agreements with Latin America has been merged into the larger debate on the whole program. In general the greatest criticism of the trade pacts has been, those with Canada and Europe, particularly Great Britain. There would really seem little on which to argue in the case of most of Latin America since our concessions 

---


have been slight. Argentina is of course the principal center of discord, and when negotiations were begun with that country, the cattle states protested vigorously. Nevertheless, Business Week approved of this move of the Department, and both The New York Times and The Christian Science Monitor have been staunch advocates of the trade program. The recent action of Congress in extending the trade agreements act would seem to indicate that Congressmen believe the country behind this policy.

All in all it would seem clear that the general American public approves of the good neighbor policy. There is criticism from the left by those who believe it only a false front and criticism from the right by those who believe it has sold property "down the river," but the most general comment is one of firm approval.

Probably more interesting than what the American public thinks of the Roosevelt-Hull program is the reaction of Latin Americans to the good neighbor of North America.

From the standpoint of governments there has probably been no equal for the friendly relations existing in the past years between Latin America and the United States. Nearly every country south of the Rio Grande has at least once through its minister or ambassador in Washington expressed the approval of official LatinAmerica toward the more liberal policy of the United States.14 At the various conferences the United States has

---

13Business Week, November 4, 1939.

14Press Releases, 1933-1939.
received high praise in flowing words from the Latin diplomats. Never have these countries been so anxious to have advice and assistance from the United States. Naval or military missions have been requested by and granted to Brazil, Colombia, Guatemala, Nicaragua, Panama, and Argentina. The United States is also sending an increasing number of economic experts at the request of the other republics, as in the loan to Paraguay of H. D. Gheshem of the Tariff Commission.

In November, 1938, the Colombian senate passed a resolution which read as follows:

The Senate of Colombia expresses its gratitude and admiration to Franklin D. Roosevelt, President of the United States of America, for his effective defense of democratic ideas and systems, for his intervention to safeguard peace within and without the continent and for the loyal and constant carrying out of the 'good neighbor' policy which is based upon the respect of the sovereignty of all peoples.

In the name of the Republic of Colombia the Senate confirms its desire to continue to serve the principles of American solidarity which has inspired the international policy of President Roosevelt.

Guatemala in inaugurating its national radio broadcasting system, October 1, 1936, dedicated the opening ceremonies to President Roosevelt.

The American president has also been asked to arbitrate in boundary disputes between Haiti and the Dominican Republic and between Ecuador and

---

16 Press Releases, February 18, 1939.
17 Ibid., November 26, 1938.
18 Ibid., October 16, 1936.
19 Ibid.
Peru. In addition the Argentine Foreign Secretary requested that the United States be one of the arbiters in the Chaco peace settlement in 1938. President Somosa of Nicaragua in May, 1939, indicated friendship for the United States when he declared:

We offer our country to the United States for defense of the United States, which is the defense of the continent. As soon as the United States disappeared so would the small nations of the continent disappear. They would become European colonies, and we must stand together. 21

The 1939 Padama Conference itself represents the degree of friendship which exists today between the Latin American governments and the United States. It is doubtful if ever before the American government was held in such high esteem by official Latin America.

A change may also be noted in the public opinion of the Latin American people since 1933 when they looked hopefully for a change of policy from the new administration in Washington. 22

The Montevideo meeting offered the first opportunity to judge any possible change in Latin opinion. Even before the conference the Carrio de Mehta of Rio de Janeiro pointed out that the meeting was opening in a friendlier tone because of the new policy of the United States in the Caribbean. 23 Nevertheless, the major correspondents admitted that

22 Ibid, March 6, 1933.
23 Ibid, December 4, 1933.
the general attitude of delegates and of the newspapers was apathetic until the conference was more than a week old. Then they began to report changes of attitude in the daily press not only in Montevideo, but in the other capitals as well. The American magazine articles following Montevideo universally indicate the same opinion—that a friendlier spirit was evident after the conference. The Woodrow Wilson Foundation Address of President Roosevelt, December 28, immediately following Montevideo, in which the president declared against a policy of intervention as Hull had promised, was favorably received in Latin America. El National of Mexico City (revolutionary party) commented that "Latin American fear of any aggression from the North has disappeared entirely, and we may look to a continental fraternity which will make one sole family of the inhabitants of America." 25

During 1934 and 1935 there were constant reports of incidents which showed a changing temperament. The American national holiday of July 4 was given newspaper prominence, and its meaning to the United States explained. President Roosevelt was enthusiastically cheered on a Caribbean voyage, July, 1934, when he stopped at Haiti, Colombia and Panama.

John W. White reported to The New York Times early in January, 1935, that the United States was held in high esteem. "A good neighbor, or


'buen vecino,' he said; is prized throughout South America in a manner comparable only to the esteem in which 'square shooters' were held along the American frontier. Roosevelt and his 'buen vecino' phrase are discussed approvingly on hot sun-scorched little steamboats far up toward the headwaters of inland rivers; in shady 'pulperias' where men gather in the late afternoon to consume alcohol in its various forms; and in the Andes where lonely prospectors chip away at the frozen rocks.26

The report came through that a Nicaraguan general, Felipe Fernández, had declared that Latin America ought to support the United States in a conflict with a major power, for 'unspeakable as American interventions have been, a German, a Japanese, or a Russian intervention would be worse.'27

In 1936 Roosevelt’s annual message to Congress gave first place to foreign affairs where he praised the happy effect of the good neighbor policy. In Mexico City and Argentina, the two most anti-American countries of South America leading papers approved of his statements. Said La Prensa of Buenos Aires: "No one now speaks of the United States intervention in Central America. The present government of the United States is really respecting the rights of all countries to work out their own destinies."28

When the Buenos Aires Conference was announced the reports came back that this new departure was received with sympathy by the southern republics.29 Along in November, 1936, Latin America watched the elections

26Ibid, January 7, 1936.
27 Ibid, January 16, 1936.
28 Ibid, January 26, 1936.
29 Ibid, April 1936; Literary Digest, March 28, 1936; Herring, Hubert, "Toward Pan American Peace", Current History, April, 1936, and others.
in the United States and was jubilant when the returns came in. The
President could attend the conference a vindicated man. Certainly if
President Roosevelt's reception in Rio de Janeiro, Buenos Aires, and
Montevideo meant anything at all, Latin America was fond of this good
neighbor from North America. Rain or shine the population was out to
welcome and "viva" the charming President of the United States. 30 As
one Latin American said: "There is no question but that today we have
a feeling of greater confidence in you [U.S.A.] and your government
than we have ever had before." 31

Evidence continued to come showing the changing color of Latin
American opinion. July 4, 1936, was celebrated as an official national
holiday in Cuba. 32 When the Hull note on expropriations of July, 1936,
were delivered, the United States policy was even defended in Latin America
as in the Telegrafo of Ecuador which pointed out that it was the "duty of
all governments to pay full value of the property expropriated". 33 In
October, 1936, the leader of the Cuban communists, Blas Roca, publically
approved of the good neighbor policy. 34

The Lima Convention again centralized opinion and comment was of
all shades, but even in Mexico, smarting over the Mexican deal, El Ex-
celsior and La Prensa praised the conference and were friendly to the

33 Ibid, July 31, 1936.
34 Ibid, October 21, 1936.
United States: It was reported that Haya de la Torre, leader of Peru's APRA, leftist union, now accepted Roosevelt's sincerity, although previously he had not approved. During 1939, after Lima, it was clearly noticeable from reports that the Caribbean was firm in lining up behind the United States, and when the war broke, John W. White reported that Latin America looked to "El Hombre"—Roosevelt. The Panama meeting was approved as was the solidarity of the continent.

Clearly it is evident that a change has come in the attitude which Latin America holds toward the United States. Left and right, from Mexico to Argentina, the good neighbor policy has won friends for this country. And yet it should clearly be noted that much of the old antagonism remains.

At Montevideo Cuba and Haiti criticised American policy and a Colombian delegate won approval when he declared that Latin America "still lives under a feudal system" as a vassal of North America. Shots were fired at Ambassador Caffery in Cuba which were not completely explained away. To Roosevelt's 1939 congressional address El Escorial in Mexico City responded that "dispite the declarations of its President, plutocracy has continued supreme".

The leader of the Mexican labor, Vicente Toledo, accused the United States of imperialistic motives in calling the Buenos Aires Conference.

---

37 Ibid. May 28, 1934.
38 Ibid. January 7, 1936.
39 Ibid. April 30, 1936.
El Critico of San Salvador felt that the United States was raising the fear of fascism unnecessarily. Even John W. White had to admit that American discussion of a Nicaraguan canal brought out editorial comment showing that there still existed widespread fear of the United States.  
A promise of Roosevelt to arm for the continent in November, 1938, did not find universal approval by any means. When it seemed that loans were forthcoming from the United States in 1939, a Chilean paper warned against them as a successor to Roosevelt might not be such a good neighbor. A Mexican liberal, Francisco Zamora, writing in 1939, also, showed his belief that imperialism was the essential attitude of the United States indicating that the United States favored the Latin American dictators and would not hesitate to "foment them whereas yet they do not exist".

Such actions as these are of course not so frequently reported, as they are distasteful to American ears; and yet it should be recognized that they are not uncommon. It is upon this situation that the fascist powers have attempted to build up opinion against the United States. Beginning in 1936 and especially in the following years fear that Germany was taking over Latin America was expressed in this country.

---

40Ibid, September 8, 1937.
41Ibid, February 20, 1938.
43Ibid, May 21, 1939.
44Zamora, Francisco, "Our Mortgage on Honduras", Living Age, June, 1939.
From the actions of the Latin Americans themselves it would seem that this fear was unjustified. Latinas have expressed their own fear of Nazism and have called upon their people to unite against this danger. Brasil has waged relentless warfare against the German fascists within its confines, even building a garrison in the heart of the German population. Colombia recalled her German minister in 1938. When an Italian, General Lango, declared in Bogota that the good neighbor policy was a cloak for imperialism, he was firmly contradicted by Espectador. The Chilean Nazi group repudiated Hitler in January, 1939. Argentina has carried on a belligerent anti-Nazi campaign, even dissolving the party in May of 1939. The truth is that Latin America may have totalitarian regimes and dictators, but it is the peculiar character of dictators not to desire domination from another quarter. Moreover, it should be noted, it has been the dictator Latin countries which have most consistently upheld the views of the United States policy in Latin America. Since the war the dislike of Nazism has been even stronger.

Viewing the period of the good neighbor policy it would seem that approval has come from both North and South America. Criticism there is, of course, in both continents. Especially in Latin America all of the fears of the former active United States imperialism have not vanished, but miracles are not to be expected in so few years. However, certainly

---

a strong foundation has been established upon which increasingly friendly relations may be developed.
Whether judged upon the basis of actions or results, the good neighbor policy of the Roosevelt Administration would seem to be a qualified success. Building upon certain actions of his predecessors, Franklin D. Roosevelt has followed a policy of relative non-intervention in Latin America, adopted a fair trade program, succeeded in organizing something of a continental solidarity, inaugurated a commendable cultural program and broken down a considerable part of Latin American antagonism toward the United States.

At the various Pan American conferences which have been held during the first seven years of the Roosevelt Administration, the United States has most definitely and officially pledged herself to a policy of non-intervention. Actions have followed words. No marines were landed in Cuba in 1933, and in the following year the Platt Amendment was repealed and a beneficial reciprocal trade pact negotiated. The marines in Haiti were withdrawn two years ahead of schedule in 1934 and a definite end of the financial protectorate by 1944 was agreed upon. When Haiti found herself unable to meet the yearly loan payments, the United States understood and did not demand the payments at the expense of essential governmental services. A treaty was ratified in 1939 with Panama whereby the United States gave up treaty rights of intervention.
in that country in order that Panama might take advantage of her economic position. With the Mexican expropriations problem the American government has exercised considerable restraint in view of the serious potential repercussions of her policy in this sphere. Since the recognition of El Salvador in 1934, the United States has dealt with and recognized every de facto government in Latin America. Here is the policy of non-intervention. However, that success has not been complete is shown by the sending of a large naval patrol to Cuban waters in 1935, by refusing to recognize the Grau San Martin government of Cuba, by failing to end the financial protectorate in Haiti, by suspending the Mexican silver purchase after the oil expropriations, and by entering the negotiations over the expropriations between the oil companies and the Mexican government. Nevertheless, in spite of these mistakes the United States may be said to have followed, substantially, a policy of non-intervention in Latin America.

Believing that healthy political relations must be based upon firm trade relations, Secretary Hull and President Roosevelt have endeavored to build up the foreign commerce between the United States and Latin America. For this purpose they have turned to the reciprocal trade program which has been in turn emphatically endorsed at the Pan American conferences. Under the Trade Agreements Act of June, 1934, as extended in March, 1937, the United States has concluded eleven trade treaties with Latin American countries. The most successful of these has been the Cuban Treaty of 1934 which has demonstrably increased the trade between the two countries. Taken as a whole the economic benefits which
have been derived from the trade treaties must be measured negatively.

The figures do not show an outstanding increase in the foreign commerce with Latin America. However, if the political benefits are measured, the adoption of the reciprocal trade program can be shown to have answered the charge of President Terra of Uruguay that American high tariffs helped cause the world depression. By adopting the trade agreements program the United States has rectified this mistake.

After the European situation began to take on a threatening character in the rise of Hitler, the United States turned to building solidarity in the Americas. At the three major conferences of Montevideo, Buenos Aires and Lima solidarity declarations have been proclaimed which have officially united the twenty-one republics of this hemisphere. The declarations proved their worth, for when the European War came in 1939, these countries without question convened at Panama for a conference in order to adopt a common neutrality policy. The Declaration of Panama, which declared a 300-mile neutrality zone around the continents from Passamaquoddy to Juan de Fuca, was the result, and when this zone was infringed upon, twenty-one republics protested as one to the belligerent nations. The solidarity of the Americas is not complete, and yet as compared with any other section of the globe, it is possible to say that the continental solidarity of this hemisphere is more than a phrase.

In order to implement and place inter-American relations upon a firmer basis, the United States has inaugurated an extensive program of education acquainting the peoples of these continents with one another. In this work private initiative has not been lacking and has received
encouragement from the Department of State. A native culture, softened by contact with the white race, forms a splendid background with which the older European culture may be blended.

The ideology and the actions of the good neighbor policy have found an answering chord in the hearts of Americans and Latins. Probably it has found a larger reception in the United States since it is her origination. While it is undoubtedly true that a considerable dent has been made in the old-time Latin American attitude toward the American "gringo", the success of the United States policy should not be overestimated. There is still dislike of the remaining imperialism of this country and the fear of its revival. This is to be expected, for the attitude of several generations is not to be washed away in seven short years. The Roosevelt Administration is to be commended for the progress it has made.

This then is the good neighbor policy: non-intervention, reciprocal trade, continental solidarity and cultural interchange. While it has had its failures and holds the danger of a potential isolationism in the idea of solidarity, taken as a whole, the successes of the "policy of the good neighbor" are commendable, and its effects beneficial to the United States, Latin America and the entire world.
BIBLIOGRAPHY

ORIGINAL SOURCES

Government Documents and Reports:


Miscellaneous Documents and Reports:


Newspapers:


The Oregonian, Portland, Oregon: (1933-1939).

Speeches and Addresses:

SECONDARY SOURCES

Books:


Periodicals:

Through the use of the Readers' Guide nearly every important article on the United States-Latin American Relations has been read in the following list of periodicals.

American Mercury, New York: (1933-1939).
Atlantic Monthly, Boston: (1933-1939).
Business Week, New York: (1933-1939).
Christian Century, Chicago: (1933-1939).
Collier's, Springfield, Ohio: (1933-1939).
Commonweal, New York: (1933-1939).
Current History, New York: (1933-1939).
Foreign Affairs, New York: (1933-1939).
Forum, New York: (1933-1939).
Independent Woman, Baltimore: (1933-1939).
International Conciliation, New York: (1933-1939).
Literary Digest, New York: (1933-1939).
Nation, New York: (1933-1939).
News Week, New York: (1933-1939).
Review of Reviews, New York: (1939).
Scholastic, Pittsburgh: (1933-1939).
Time, New York: (1933-1939).

Periodical Articles:

Anon, "Latin America Looks North", Review of Reviews, New York: (December, 1936).
Herring, Hubert, "The Pan American Dream Reborn", Christian Century, Chicago: (January 24, 1934).
Trueblood, Howard J., "Raw Material Resources of Latin America", Foreign Policy Reports, New York: (August 1, 1939).

