The Argentine reaction to Roosevelt's foreign policy 1933 – 1944

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THE ARGENTINE REACTION TO ROOSEVELT'S FOREIGN POLICY
1933 - 1944

A THESIS
SUBMITTED TO THE FACULTY OF ATLANTA UNIVERSITY
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BY
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DEPARTMENT OF HISTORY

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PREFACE

It is the purpose of this study to present a story of the United States-Argentine relations in connection with the "Good Neighbor" foreign policy of the United States from 1933 to 1944. The writer endeavors to treat the subject during the long period of Roosevelt-Hull administration. Since, under our Constitution, the President is responsible for the administration of the foreign policy, the President and Secretary of State will be mentioned jointly in connection with the initiation, supplementation, and developments of that policy.

The study is filled with potentialities because of the fact that scholars have been more or less concerned with other aspects of the Roosevelt foreign policies during the period. Therefore, there is a great opportunity for anyone who is interested and who wishes to make a real contribution to American history.

The data for this paper, which originate from primary sources - memoirs, public documents, speeches, legislative proceedings - and supporting secondary works, is arranged in chronological order so as to present a fairly simple narrative. The sources used are sufficient to supply the basic facts upon which the narrative is written. However, there is not enough material available which treats the subject from the Argentine point of view. In this respect, the writer has attempted to treat the subject as objectively as possible, considering the purely United States point of view as expressed in most of the sources used.

In discussing the American neighborhood in 1933, the writer at-
tempts to give a brief background of Latin-American relations during the period immediately preceding the period of the paper proper. This is done to help the reader interpret the events that follow in the rest of the work. The important developments from the Montevideo Conference of 1933 to the Conference of Mexico City in 1945 are discussed to show the general attitude of Argentina toward the Good Neighbor policy of Franklin Roosevelt, how that nation did not readily accept the American ideas of inter-American cooperation, and how she remained pro-Axis in spite of pressure from the United States and other American nations.

The material is arranged in four chapters. An attempt has been made in this arrangement to follow the events in logical and chronological order. A summary followed by a bibliography appear at the end of chapter four.

The writer gratefully acknowledges the advice and criticism of Professor C. A. Bacote, Department of History, Atlanta University, and Dr. William M. Boyd, Department of Political Science of the same institution.
CHAPTER I

THE AMERICAN NEIGHBORHOOD IN 1933

The general attitude existing among the American nations in 1933 was anything but cordial. The animosities were deeply rooted in the activities of the United States during the years from 1900 to 1930. The differences of opinions were not alone between the United States on the one hand and the Latin American countries on the other, but among the Latin American states themselves. However, in this disquisition we shall be concerned primarily with the obstacles, disagreements, and clashes between the United States and that great South American Republic - Argentina.

Argentina is the chief nation of South America. In population, it is second to Brazil. Its national income per capita is higher than that of any other Spanish speaking country in the Americas. The Argentine nation also takes the lead in educational and scientific developments. Its capital city, Buenos Aires, has no equal among the other Latin American cities.\(^1\)

Argentina's historic position of opposition to the United States has been noted by many historians. The following description of the Argentine attitude toward inter-American agreements is typical:

... Argentina has been a chronic off-key note in whatever hemisphere harmony has materialized in the past twenty years. Only six per cent of approximately ninety inter-American agreements have been ratified. Open and unbridled opposition to the Monroe Doctrine and Pan-Americanism has been shown on every occasion - chiefly because they have been suspected as instruments

of United States tutelage and because Argentina views herself as the natural, rightful leader of Pan-Americanism. If the Argentine Republic has not been able to defeat the leadership of the United States, it has refused to cooperate with it.  

The writer has no intention of proving whether the United States Government is or is not responsible for the suspicion rampant among its Latin American neighbors in 1933, but a look into the immediate past will show that the now chief exponent of the "Good Neighbor" policy has not always lived up to the virtues conducive to that policy. Perhaps, in the final analysis, there will be some justification in the fact that Argentina could not forgive and forget as early as her other Latin American sisters.

At the close of the Spanish-American War, the United States entered a very aggressive period of economic and political expansion. The outcome of the war resulted in the United States becoming a world power with possession of the Philippines and Puerto Rico, and the responsibility for Cuba. The United States moved into the Caribbean area and dominated the shores of the Gulf to the extent deemed necessary to prevent the domination of this area by any other strong power.  

The Caribbean policy of President Theodore Roosevelt was very aggressive and ruthless. The Monroe doctrine as originally understood proposed to regulate the conduct of Europe with reference to Latin America, but after 1904 it was used to justify the United States' regulation of the conduct of Latin America with respect to Europe.  

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3 J. Fred Rippy, Latin America in World Politics (New York, 1938), p. 278.

... Theodore Roosevelt confused the Latin-American policy of the United States by identifying intervention in the Dominican Republic with the Monroe Doctrine, thus making that Doctrine which had said "hands off" to Europe, seem to say "hands on" for the United States. 5

The United States forced the Platt amendment upon Cuba and thereby reduced that country to the status of a protectorate, acquired the Panama Canal by encouraging the secession of Panama from Colombia, established a protectorate over the new state of Panama, took charge of the customs of the Dominican Republic and subjected its finances to rigorous United States control. President Theodore Roosevelt proclaimed his Corollary of the Monroe Doctrine which threatened the other Latin American nations unless they maintained domestic order and lived up to their financial obligations to foreigners. All the countries of Central America were denied the right of revolution. 6

Argentina, although far removed from the Caribbean area, watched the developments attentively, and took the lead in speaking out against these "strong arm" actions of the "Colossus of the North." On December 3, 1901, President Roosevelt speaking to a joint session of the United States Congress intimated that armed force could be used by a nation to collect debts from another. 7 He was promptly answered by Foreign Minister Louis M. Drago of Argentina. Drago issued his famous statement that public loans could not occasion armed intervention nor even the actual occupation of territory. 8 Argentina was successful in having this Drago Doctrine adopted

6 Rippy, op. cit., p. 279.
7 Ibid.
8 Chester L. Jones and others, The United States and the Caribbean (Chicago, 1934), p. 36.
at an international convention at the Hague Conference in 1907. The first outcry against intervention was heard around the world.

President William Howard Taft considered it a most useful function of the armed forces to protect the big business investments of American citizens in foreign countries. Taft, in discussing "dollar diplomacy" in May, 1910, said:

... The theory that the field of diplomacy does not include in any degree commerce and the increase of trade relations is one to which Mr. Knox (the Secretary of State) and this administration do not subscribe. We believe it to be of the utmost importance that while our foreign policy should not be turned a hair's breadth from the straight path of justice, it may be well made to include active intervention to secure for our merchandise and our capitalists opportunity for profitable investment which shall insure to the benefit of both countries concerned. ...

Woodrow Wilson's policies were simply a continuation of those of his predecessors. Wilson, under his doctrine of constitutionalism, also denied the right of revolution to all of Latin America. However, he did not offer vigorous protection to American lives and property in foreign countries. Mexican bandits under General Villa killed sixteen young American engineers as they stepped off a passenger train at Santa Ysabel, Mexico. Congress passed a resolution in March, 1916, for armed intervention to protect American citizens, but the president accepted the worthless promise of the recognized Mexican Government to punish the murderers. It was only after Mexican bandits invaded the states of New Mexico and Texas that the president ordered American troops to cross the border into Mexico.

The outcry against intervention, which started with the Drago Doctrine and quieted down during the World War, broke out again during the 1920's.

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10 Rippy, op. cit., p. 280.
Pressure on the United States both at home and abroad had been continuous since the war. There were two Pan-American Conventions held during the 1920's, and at each the Latin American countries tried to air their grievances, but United States influence prevented the attempts.\(^\text{12}\)

The United States had been successful in blocking every attempt on the part of twenty Latin American Republics to debate live questions at the inter-American conferences. Secretary of State Charles Evans Hughes held off an Argentine effort to inject intervention and tariff questions formally into the program of the Havana Conference of February, 1928. The attempt on the part of Argentina to inject these topics had much to do with the failure of that conference. If given a chance to discuss these questions, the Argentine delegation would have killed the whole Pan-American idea, and this is perhaps what they wanted.\(^\text{13}\) The chief of the Argentine delegation, Honorio Pueyrredon, bolted the conference and resigned his position as Ambassador to the United States when the conference refused to consider tariff reforms. The whole Argentine nation objected to the features of the Fordney-McCumber Tariff Act, passed by the United States Congress in 1922, because it tended to cut off from United States markets major Argentine exports, especially food products.\(^\text{14}\)

The Latin American countries were not permitted to discuss the intervention and tariff questions but succeeded in securing a reorganization


\(^{12}\)Ibid.

\(^{13}\)Bemis, *op. cit.*, p. 264.

of the Pan-American Union somewhat more favorable to their desires. They
were also successful in securing a declaration against aggression, and a
resolution providing for an arbitration conference to be held in Washing-
ton in 1928 (December 28 to January 5, 1929). 15

The Washington Conference on Conciliation and Arbitration met as
scheduled. The Conference formulated two treaties, one on conciliation
and another on arbitration. The Conference also created a commission of
neutrals to conciliate the Chaco War between Bolivia and Paraguay. The
commission was composed of representatives of the United States, Cuba, Co-
lombia, Mexico and Uruguay. 16 The Argentine Republic did not send repre-
sentatives. "... Absence of Argentina at the Special Washington Confer-
ence of 1928-1929 had excluded its government unexpectedly from an impor-
tant peace maneuver." 17

Public opinion caused the United States Government to become
more conciliatory toward the Latin American neighbors during the latter
part of the long Republican era of Harding, Coolidge and Hoover. During
this period the denial of the right of revolution was made to apply only
to the Central American area; the property of Americans in Latin America
was protected with less vigor and the Roosevelt Corollary was quietly re-
nounced. The United States Marines were withdrawn from the Dominican Re-
public and Nicaragua. 18 These changes in many respects marked the beginning
of the "Good Neighbor" policy of Franklin Roosevelt.

15Rippy, op. cit., pp. 254-255.
16Bemis, op. cit., p. 265.
17Ibid.
18Rippy, op. cit., p. 283.
The year 1933 marked the end of the long Republican rule and the beginning of the Democratic Party's long tenure. A change in parties, at the time, also brought changes in foreign policies. Franklin Roosevelt was inaugurated President of the United States on March 4, 1933, at a time when the relations between the United States and the Latin American countries were anything but cordial. All of Latin America had learned to fear and distrust the "Colossus of the North." Even though domestic affairs demanded immediate attention because of the great depression, the president must have sensed the Latin American anxiety when in his inaugural address he stated:

..., 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, 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.19

Much of President Roosevelt's success in foreign affairs was due to his selection of competent men for the State Department. The new Secretary of State, Cordell Hull, in turn selected experienced, professional advisors. Sumner Welles was appointed Assistant Secretary of State in charge of Latin American affairs. He was later made Ambassador to Cuba. The president continued to stress the need and benefits to be derived from the good neighbor policy. While speaking in Havana, Cuba, before the Pan American Union, April 14, 1933, on the occasion of Pan American Day, he said:

..., Never have the need and benefits of neighborly cooperation in every form of human activity been so evident as they are today. The essential qualities of Pan-Americanism must be the same as those which constitute a good neighbor, namely mu-

20Ibid., p. 130.
tual understanding and, through such understanding, a sympathetic appreciation of the other's point of view. It is only in this manner that we can hope to build up a system of which confidence, friendship, and goodwill are the corner-stones.\textsuperscript{20}

That the president's utterances were winning the confidence of the Latin American nations is admitted but this change of attitude on the part of the Latin Americans could not be accomplished overnight. This fact is substantiated by an incident in Mexico during the same month. There was considerable murmuring in Mexico against the appointment of Josephus Daniels\textsuperscript{21} as United States Ambassador to Mexico. These murmurings were so loud that Mexican Foreign Minister Casauranc felt that an official denial that the appointment of Daniels was in any way displeasing to the Mexican Government was needed. The foreign minister's statement follows:

... Various badly informed groups have attacked the appointment of Mr. Daniels with absurd and even calumnious statements. The Government of Mexico is interested in correcting the "supposition" that the new American Ambassador has been named by his government as a discourteous act embracing a stern and fearful warning.\textsuperscript{22}

In spite of this statement to the contrary, in Guadalajuara, Mexican police raided dozens of houses and shops, seized and burned bales of literature demanding the expulsion of Ambassador Daniels by force.

The President of the United States continued to preach his gospel. On the eve of the London Disarmament Conference of May, 1933, Roosevelt called upon the nations of the world to agree to never send an armed

\textsuperscript{20}Ibid., p. 130.

\textsuperscript{21}Daniels was Secretary of the Navy when the navy bombarded Vera Cruz in 1914.

\textsuperscript{22}"Stern and Fearful Warning", \textit{Time}, April 17, 1933, p. 19.

\textsuperscript{23}Ibid.
force of whatever nature across their frontiers, and on December 29, 1933, the President stated flatly that the policy of the United States is one which is opposed to armed intervention. During the same month (December, 1933), Secretary of State Cordell Hull, head of the American delegation at the Montevideo Conference, told the delegates of the twenty-one American states that "everyone should know and thoroughly understand that the Roosevelt Administration is opposed to interference into the internal matters of the governments of other nations." 24

Roosevelt, as a follow-up to the expressions of good neighborliness, ordered the last remaining units of the United States Marines to withdraw from Nicaragua and Haiti. 25 He refused to intervene actively in the Cuban disorders of 1933, and terminated the Platt Amendment which gave to the United States the right to intervene in the Cuban internal affairs. 26 By December, 1933, intervention had come to an end. 27

The stage had been set and the players were ready to take their places in the great drama of Pan Americanism. Intervention, one of the main points of contention between the Latin American countries and the United States, had been removed by Roosevelt. Another controversy dealing with prohibitive trade barriers had been left to that able statesman, Cordell Hull, to use methods of his own choosing for attacking this very serious question. The president had already made mention of the need for the removal of restrictive trade barriers in his Pan American Day address of

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25 This process had been initiated by the Hoover Administration.
26 Mathews, op. cit., p. 143.
April 14, at Havana, Cuba:

... It is of vital interest to every Nation of this Continent that the American Governments, individually, take without further delay, such action as may be possible to abolish all unnecessary and artificial barriers and restrictions which now hamper the healthy flow of trade between the peoples of the American Republics.28

Such was the condition in the American neighborhood in 1933 as the nations prepared for the opening of the Seventh Inter-American Conference held at Montevideo, Uruguay, in December, 1933.

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CHAPTER II

IMPORTANT DEVELOPMENTS FROM 1933 TO THE END OF 1936

The first conference in which the United States participated after the pronouncement of the "Good Neighbor" policy was held at Montevideo, Uruguay, in December, 1933. The United States delegation was headed by the Secretary of State, Cordell Hull. On arriving in the Uruguayan capital, Hull sensed a very strong anti-United States atmosphere, and in his Memoirs the following statement is found:

... One of my first sights from the ship was billboards with huge words: "Down With Hull", and some of the newspapers shown me spoke of the "big bully" who had come down from the north and wondered what he was up to now.1

Another account of the reception given the United States delegation is further proof of the existing animosity:

... Star delegates of the conference were silver-haired, sweetly reasonable United States Secretary Cordell Hull and Mexico's darkling pugnacious Foreign Minister Puig Casauranc. Uruguayan communists let Senor Casauranc alone... but strewed the path of the United States Secretary of State with leaflets reading "Down With Bandit Hull; Down With Yankee Imperialism"2

On arriving at Montevideo, Secretary Hull called on all the other delegations prior to the opening of the conference. He spent thirty or forty minutes with each preparing the way for better understanding and cooperation. He assured each delegation that:

... There is nothing my government wants or is seeking down here except to carry forward the doctrine of the "Good

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Neighbor." We simply want to cooperate fully with all Latin American countries in promoting the political and economic ideals in which we are all like equally and mutually interested.³

Alexander Weddell, United States Ambassador to Argentina, informed Hull that Argentina had not decided until the last hour to send a delegation and that the Foreign Ministry had planned to conduct a fight from across the river against every important move of the United States delegation.⁴

The fact that Argentina decided at the last hour is proof that that nation had not fully recovered from the rebuff given her at the Sixth International Conference of American States of January, 1928, as shown by her refusal to participate in the Special Washington Conference of December of that same year. It is true, however, that the Montevideo Conference would not have been very successful had the Argentine delegation held to its original purpose mentioned by Weddell above.

The Argentine Government had proposed a general Anti-War Treaty of Non-aggression and Conciliation during November, 1932, for the acceptance of the nations of the world. This proposal was offered as a substitute for the Pan American peace treaties proposed and accepted by most of the American countries from 1923 to 1929. It is to be remembered that Argentina had not ratified any of these treaties because that country believed and regarded herself as the rightful leader of any Pan American movement. The Argentine Government did not trust the United States.⁵

³Hull, op. cit., I, p. 326.
⁴Ibid., p. 327.
President Roosevelt had also proposed a non-aggression pact to be signed by all nations in his statement of May 16, 1933, on the eve of the London Conference, but Argentina succeeded in inducing five countries of Latin America to sign the Lamas Anti-War Treaty of Non-aggression and Conciliation just prior to the meeting of the Conference. On October 10, 1933, Brazil, Chile, Mexico, Paraguay and Uruguay signed the Lamas Pact. It appeared that the two great American republics - the United States and Argentina - were vying for world supremacy even before the conference opened. Any inter-American conference was doomed to failure if these two leading nations could not agree.

The Argentine delegation, headed by Foreign Minister Saavedra Lamas, which had been appointed by the Government on November 30, reached Montevideo December 2, 1933. Secretary Hull called on Foreign Minister Lamas, and told him that the United States considered him an outstanding Latin American statesman and advocate of peace, and that the purpose of his visit was to seek his council. "I know from your past record that you will help us take the right direction and do so in a thoroughly practical and efficient manner," said Hull.

It was during this meeting that Hull agreed to sign the Lamas Anti-War Pact with the understanding that Lamas would use his influence in getting the other nations, including Argentina, to sign the peace treaties. These treaties were: the Treaty to Avoid or Prevent Conflicts Be-

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7Bemis, op. cit., p. 270.
tween the American States, signed at the Fifth Pan American Conference at Santiago, Chile, 1923; the Kellogg-Briand Pact of Paris, 1928; the Convention of Inter-American Conciliation and the Convention of Inter-American Arbitration, signed at Washington, January, 1929. Lamas agreed: "We shall be the two wings of the dove of peace, you the economic and I the political."\(^9\)

This agreement coming on the eve of the conference added much to the good spirit shown in the deliberations on the floor of the conference.

The attitude of the American delegates of the Roosevelt Administration at the Seventh International Conference of American States was conciliatory, and for the first time the Latin Americans were given that which they desired. They were permitted to air their grievances freely. The friendly sincere and unassuming attitude of Secretary Hull, head of the American delegation, created a very favorable impression upon the delegates from the other states.\(^10\) The action of the American delegation is described by Bemis:

... They challenged nothing. They did not indulge in debate. They spoke infrequently and briefly, though to the point. They did not fill a single one of the nine committee chairmanships. They made no attempt at leadership. That they left to the Argentine delegation, headed by Saavedra Lamas.

On the floor of the conference, Hull announced that the United States was ready to accept the Lamas Anti-War Pact, and Lamas led in securing the signatures to the older treaties.

The next problem to be worked out by the conference had to do

\(^9\)Ibid., p. 322.
\(^11\)J. M. Mathews, American Foreign Relations, p. 146.
\(^12\)Bemis, op. cit., p. 271.
with the question of prohibitive trade barriers. It will be remembered that in Havana, Cuba, 1923, the United States delegation, headed by Secretary of State Charles Evans Hughes, had repelled a proposal by Argentina for a declaration against artificial trade barriers. The Argentine delegate, Honorio Pueyrredon, succeeded in raising the question in an indirect way. He proposed to have included in the preamble to the Doctrine of Non-intervention a declaration against unreasonable trade barriers. At the time, the Argentine delegation was particularly opposed to the sanitary prohibition, which the United States had imposed against beef imports because of the foot and mouth disease found among Argentine cattle. Secretary Hughes in 1928 had said:

"...To introduce the Pan American Union into these most delicate of all subjects, relating to the exercise by independent and sovereign states of their will with respect to the articles coming in or leaving their boundaries, would be simply to invite the destruction of the Pan American Union." 13

Such was the United States policy of 1928 with reference to inter-American tariff discussions.

The United States delegation of 1933, at Montevideo, however, wanted to discuss the "most delicate" subject of trade barriers. This time the other American nations were opposed to open discussion on the subject. The cause for this "change of hearts" can be seen in the increased demands of the European markets for Latin American products. Argentina and Great Britain, for instance, had signed a bilateral trade

13The Fordney-McCumber Tariff Act of 1922 was highly protective.
agreement at the Roca Convention of May 1, 1933. Samuel G. Inman, missionary-journalist, explained the situation in the following passage:

... Every manufacturing country in the world had its representatives in South America endeavoring to make special arrangements with individual countries to sell more goods and to get more of its frozen assets moving toward its own financial center.

Secretary Hull believed that American tariff agreements should be made so as to place the United States in a position to actively compete with European countries with reference to Latin American trade. The plan finally adopted at Montevideo called for the lowering of tariff by negotiation of bilateral or multilateral reciprocal treaties; the elimination of duties that practically exclude international competition; continuation of the unconditional most-favored nation clause; and the establishment of a permanent international agency to distribute information concerning progress made in reducing trade barriers.

The spirit of good will prevailed at the conference, in spite of the objections of Argentina and other nations to some of the features of the trade agreements, and the good neighbor idea exerted an important influence in cementing the friendly relations between the United States and the Latin Americans. The outstanding achievements of the conference as summarized by President Roosevelt were:

... The creation of a new spirit of friendship and confidence among the republics of the Americas; the beginning of a strong bilateral trade policy; steps toward the establishment of peace machinery; steps in the improvement of inter-American communication and transportation; and collective adoption of the principle of non-intervention.
To further substantiate the gains made at Montevideo toward mutual friendship, Hull took on the character of a "good will ambassador." He had traveled along the east coast of South America stopping at Brazil on the journey to Montevideo, but he returned by way of the west coast so as to visit as many neighbors as possible. The first stop on the return trip was Buenos Aires where he spent two days talking to Argentine officials. President Roosevelt, in New York, made his famous Woodrow Wilson Foundation address while Hull was in Argentina, and the clause "The definite policy of the United States from now on is one opposed to armed intervention" must have been very pleasing to Hull's ear. He next visited Chile, Peru, Ecuador, Colombia and Panama. Everywhere he made speeches, selling the "Good Neighbor" idea by promoting friendship. During a dinner given in his honor at Lima, Peru, Hull stated:

... We have just had a great demonstration at Montevideo, a demonstration that common sense and sincerity can surmount all obstacles when men of good will approach problems in a spirit of mutual helpfulness. That conference was a convocation of good neighbors. It was no place for demagogues and trouble makers, for backbiters and detractors, for petty suspicion, for the harangues of mere place hunting politicians.

The United States backed up the pledges made by the delegation at Montevideo with positive action. The Senate ratified all the pledges signed by the delegates with reservations attached to two. One applied to the Lamas Anti-War Treaty, the other applied to the pledge on the Rights and Duties of States. The same reservation clause was applied to both: "that in adhering to this treaty the United States does not thereby waive any rights it may have under other treaties or under international law.

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20 Ibid., p. 340.
21 Congressional Record, 73rd Cong., 2nd. Sess., p. 11601.
These same pledges did not have such easy going in the Argentine capital. Although Foreign Minister Lamas signed the Kellogg-Briand Pact and various Pan American peace treaties proposed at the Montevideo Conference, his government did not ratify any of them. It will be noted, however, that the Argentine Republic gave its approval to only one treaty—that which had been proposed by its own Foreign Minister Lamas. Although it appeared that the relations between Hull and Lamas during the conference were most cordial, the Argentine Government did not appear so friendly in its refusal to ratify the treaties proposed by the United States and ratified by the Senate. It appears that all the efforts of the United States to convert Argentina to the "Good Neighbor" idea did not meet with the success desired by the Roosevelt administration. Argentina was still the "not so good neighbor."

Another step taken by the Roosevelt administration to further cement the cordial Latin American relations existing at the time with, perhaps, the exception of Argentina was the organization of the Export-Import Bank. This bank was incorporated in the District of Columbia by Executive Order Number 6581, February 2, 1934, by authority granted by the National Industrial Recovery Administration Act of June 16, 1933, the Reconstruction Finance Corporation Act of January 22, 1932, and the Bank Conservation Act of March 9, 1933. The purpose of the First Bank was to assist in financing trade with Russia. However, a Second Bank was organized in 1934 to finance trade with Cuba and other countries. The Second Bank was merged with the First Bank in 1936. The balance sheet of the

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22 Bemis, op. cit., p. 261.
23 Leland M. Goodrich and Marie J. Carroll, Documents on American Foreign Relations (Boston, 1945), VII, p. 545.
24 Ibid.
Export-Import Bank, as of December 31, 1941, shows that eighteen Latin American countries had been authorized loans. Argentina was authorized $60,120.00.  

The United States Congress passed the Reciprocal Trade Act during June, 1934, after much debate on the question of giving the president the power to regulate the tariff. It was held by some senators that the power to regulate tariffs was a power granted by the Constitution to the Congress alone and to give that power to the President would be transferring congressional power to the executive branch of the government. The State Department used its influence by supplying information to the various committees of congress. The "farm block" was especially critical of the bill. Although the act applied to all the countries of the world, the name of Argentina came up more than once during the debate. The bill when finally approved gave the president power to adjust tariff on articles within a range of fifty per cent of the United States tariff level.  

Congress maintained the right to have the final say on the act by having it terminate at the end of three years. It then must be renewed by act of congress.

... The new legislation was framed upon a combination of three principles - tariff negotiation by Executive agreement; Congressional delegation to the President of the power of tariff adjustment within prescribed limits; and generalization of all tariff reductions (except those granted to Cuba) to the products of all countries which do not discriminate against American commerce.

Most of the Latin American countries took advantage of the new Trade Agreements Act during the early months. Argentina was among the last to complete an agreement.

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27Francis B. Sayre, "How Trade Agreements Are Made", Foreign Affairs, XVI, No. 3 (April, 1938), p. 417.
From the time of the passage of the Trade Agreements Act by the United States Congress in 1934 to October 14, 1941, when an agreement was finally made, Argentina and the United States attempted several times to make trade agreements, but each effort resulted in complete failure. It was almost impossible for the two nations to make any mutually satisfactory agreement because of the fact that the agricultural products of the two countries were and still are competitive. The cost of production in the United States is much higher than that in Argentina. This means that the chief products of Argentina such as fruit, beef and hides could undersell the American grown products on the American markets. The American farmer, particularly the western cattle grower, has always objected to free trade with Argentina. Another obstacle to free trade is the much discussed foot and mouth disease prevalent among Argentine cattle.28

The United States and Argentina signed a convention in 1935 which would have allowed the importation of inspected cattle from zones that were free from the disease, but the United States Senate did not ratify the convention.29 An agreement was finally reached on October 14, 1941, after years of discussion. The danger of becoming involved in the European war, and the fact that any agreement is better than no agreement, the United States was forced to make many concessions in the agreement.

The Chaco War between Paraguay and Bolivia was finally ended on June 14, 1935, but not before a clash between the United States and Argentina had occurred in connection with the arbitration of that conflict. It will be remembered that the Washington Conference of 1928 created a commis-

28Bemis, op. cit., pp. 304-305.

sion of neutrals to conciliate the Chaco war, and that Argentina, because of dissatisfaction at the Havana Conference, February, 1928, did not attend the Washington meeting. The effort of the Washington Commission to conciliate the war was blocked by a rival commission, headed by Argentina. The Washington Commission was composed of representatives of the United States, Colombia, Cuba, Mexico and Uruguay, and the Argentine Commission was composed of Brazil, Chile, Peru and Argentina. The Argentine Commission denied that the countries had the right to "intervene into the affairs of another nation"; and submitted the question to the League of Nations. The Washington Commission, for the sake of harmony, yielded to the League of Nations, which appointed a new commission of mediating countries. The new neutral commission was composed of representatives of the United States, Argentina, Brazil, Chile, Peru and Uruguay with Lamas presiding. A temporary armistice was concluded in December, 1933, and in June, 1935, the long war was brought to a close.

So the relations between the two big sisters of the American republics were not very cordial at the close of the year 1935. Most of the inter-American activity of 1936 was centered around the conference held during that year. The United States took the initiative in calling this special meeting. President Roosevelt, on January 30, in personal letters addressed to the presidents of all Latin American republics, suggested that a special inter-American conference be summoned. The President's letter read in part:

... I cherish the sincere conviction 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 continuation of hostilities between them, and by so doing, serve in an eminently practical manner the cause of permanent peace on this Western Continent. 31

At the time of the letter suggesting the meeting of the American republics to assemble, the new world was at peace. The long war between Bolivia and Paraguay had been terminated, and the only conflict existing at the time was a diplomatic one between the United States and Argentina. The President probably had this in mind when he suggested Buenos Aires "should the Government of the Argentine Republic so desire" as the place for the meeting. The Argentine Government had no objection to having the Conference meet in its beautiful capital city. Invitations were sent out by Argentina on August 20, 1936. 32 It is the opinion of the writer that Argentina would have been conspicuous among those absent had the meeting been called to meet at any other place. The fact that the United States suggested the meeting would have been one of the many reasons.

The official name of this conference was The Inter-American Conference for the Maintenance of Peace. The agenda as approved by the Governing Board of the Pan-American Union, July 22, 1936, included the following items: I. Organization of Peace; II. Neutrality; III. Limitation of Armaments; IV. Juridical Problems; V. Economic Problems; and VI. Intellectual Cooperation. 33

The President, at Chautauqua, New York, August 14, 1936, restated his purpose - that of the Good Neighbor. He admitted that the United


32 Ibid., p. 3.

States was strong but that the less powerful nations had no need of fear
of the United States. He stated among other things:

... The American Republics to the South of us have
been ready always to cooperate with the United States on
a basis of equality and mutual respect, but before we
inaugurated the good neighbor policy there was among
them resentment and fear, because certain administrations
in Washington had slighted their national pride and their
sovereign rights. ... Throughout the Americas the spirit
of the good neighbor is a practical and living fact. The
twenty-one American republics are not only living togeth-
er in friendship and peace; they are united in the deter-
mination so to remain.34

The Inter-American Conference for the Maintenance of Peace was
scheduled to open on December 1, 1936. The Government of Argentina in-
vited President Roosevelt to visit and take part in the opening of the
Conference, and he gladly accepted the invitation to help initiate what
he believed to have been the greatest opportunity in the interest of the
"Good Neighbor" policy. On December 1, 1936, Franklin Roosevelt addressed
the opening session of the Conference for the Maintenance of Peace. In
his address he suggested a strong united band of American States to repel
any aggressor nation. He said:

... We in the Americas make it at the same time clear
that we stand shoulder to shoulder in our final determina-
tion 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 mu-
tual safety and our mutual good. ... It is our duty by ev-
ery honorable means to prevent any future war among ourselves
... For my own part I have done all in my power to sustain

34 Ruhl J. Bartlett, The Record of American Diplomacy (New York,
1947), pp. 551-552.

35 The American delegation appointed by President Roosevelt on
October 31, 1936 follows: Chairman of the Delegation: Cordell Hull, Secre-
tary of State; Sumner Welles, Assistant Secretary of State; Alexander W.
Weddell, United States Ambassador to Argentina; Adolf A. Barle, Jr., Cham-
berlain of New York City; Alexander F. Whitney, President of the Brother-
hood of Railroad Trainmen; Charles G. Fenwick, Professor of Political Sci-
ence, Bryn Mawr College; Michael Francis Doyle, Lawyer, Philadelphia; and
the consistent efforts of my Secretary of State in negotiating agreements by reciprocal trade. . . .

The magnetic President received a clamorous ovation from the assembled delegates. A contest was in the making between the United States and Argentina even as the President was making his address. The Argentine delegation was again headed by Foreign Minister Lamas who had drafted a project for voluntary collaboration with the measures and sanctions of the League of Nations by non-member nations which had accepted the Kellogg-Briand Pact or the Lamas Anti-War Pact. Hull, on the other hand, had a plan for Pan Americanizing recent neutrality laws of the United States and for setting up a permanent consultive committee with reference to inter-American wars.

On December 5, Hull addressed the Conference and outlined the United States program for the maintenance of peace in what he called the "Eight Pillars of Peace." They are summarized as follows:

1. Peoples must be educated for peace. Each nation must make itself safe for peace.
2. Frequent conferences between representatives of nations, and intercourse between their peoples, are essential.
3. The consummation of the five well known peace agreements will provide adequate peace machinery.
4. In the event of war in this hemisphere, there should be a common policy of neutrality.
5. The nations should adopt commercial policies to bring each that prosperity upon which enduring peace is founded.
6. Practical international cooperation is essential to restore many indispensable relationships between nations and prevent the demoralization with which national character and conduct are threatened.
7. International law should be reestablished, revitalized, and strengthened. Armies and navies are no permanent substitute for its great principles.

36Roosevelt's Foreign Policy, pp. 111-114.
37Bemis, op. cit., p. 284.
8. Faithful observance of undertakings between nations is the foundation of international order, and rests upon moral law, the highest of all law.

On December 7, 1936, Hull presented the United States plan for international peace. This plan did not include any reference to the League of Nations. It was truly an inter-American plan. It called for a permanent Consultative Committee, composed of the Foreign Ministers of the American countries. This committee would be empowered to investigate all incidents and differences and decide if a state of war existed. The parties to the treaty agreed to enforce against the belligerents embargoes of credit, arms, and other implements of war.

Opposed to the Hull plan was the Argentine plan. This plan called for voluntary collaboration with the League of Nations, and for consultation by negotiation among the contracting parties in case of violation by any of them of the existing inter-American peace treaties. Lamas was opposed to any permanent committee as presented by Hull. The Argentine minister also included a plan for absolute non-intervention which would outlaw excessive diplomatic intervention. The Lamas plan called for a world wide plan organization. After much discussion, a watered down plan was approved by the Conference which was a compromise between the inter-American-Hull plan and the Lamas universal plan. Hull's comment on the compromise follows:

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40Ibid.
Finally, in order to obtain complete agreement, the resolution was watered down. Consultation among the republics was agreed to in case of any threat to peace in the Western Hemisphere, but the idea of a permanent inter-American Consultative Committee was dropped.41

The Inter-American Conference for the Maintenance of Peace was a success. An international conference cannot be judged on the output alone. The United States tried at Buenos Aires to get a stronger grouping of the American states, but met with Argentine resistance and a somewhat warm response from Brazil. However, in spite of Argentina, the Conference adopted two treaties, eight conventions an additional protocol relative to non-intervention, and sixty-two resolutions, recommendations and declarations. The following instruments were signed by the delegates:

Convention for the Maintenance, Preservation and Reestablishment of Peace;
Additional Protocol Relative to Non-Intervention;
Convention to Coordinate, Extend and Assure the Fulfillment of the Existing Treaties Between the American States;
Treaty on the Prevention of Controversies;
Inter-American Treaty on Good Offices and Mediation;
Convention on the Pan American Highway;
Convention for the Promotion of Inter-American Cultural Relations;
Convention on the Interchange of Publications;
Convention Concerning Artistic Exhibitions;
Convention Concerning Peaceful Orientation of Public Instruction;
Convention Concerning Facilities for Educational and Publicity Films.42

The last two conventions were not signed by the United States Delegation. This was due to the fact that the National Government cannot commit itself on educational matters as this is handled by the several states.

41Hull, op. cit., I, p. 498.
Again, as at the Montevideo Conference of 1933, the United States delegation apparently left the actual administration of the Conference to the Argentine delegation.

The United States Senate ratified the agreements reached and signed by its delegates at the Inter-American Conference for the Maintenance of Peace, without a record vote on June 29, 1937, and with only minor changes in the original text as submitted by President Roosevelt on May 26. However, the same cannot be said of Argentina. Bemis, in describing the Argentine non-action says:

... The Argentine Government did not ratify any of the inter-American peace treaties in any way, shape or manner, even those which it signed in its own capital, not even the Additional Protocol Relative to Non-intervention. Where it could not lead, it would not join.

This adverse attitude of Argentina had to be reckoned with during the crucial period beginning with 1937 and continually throughout the pre-war years to 1941. The events in Europe seem to have intensified Argentine obstruction as shall be pointed out in the next chapter.

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43 The list of general officers shows the Argentine delegation holding the most important offices. Officers of the Conference were: Temporary President of the Conference: Carlos Saavedra Lamas; President of the Conference: Carlos Saavedra Lamas; Secretary-General of the Conference: Filipe A. Espil, Ambassador of Argentina to the United States of America; Assistant Secretary-General of the Conference: Divico A. Furnkorn of Argentina; Pan American Union: Leo S. Rowe, Director General and William Manger, Counselor. Report of Delegates, p. 55.


45 Bemis, op. cit., p. 291.
CHAPTER III

THE AMERICAN NATIONS AND CONTINENTAL SOLIDARITY

Events in Europe occupied the attention of the American nations during 1937 and 1938. Adolph Hitler, who had risen to power in Germany in 1933, had reached a new low in his persecution of the Jews. His actions had been criticized severely by American statesmen, including President Roosevelt, members of the cabinet, Mayor LaGuardia, of New York City, and others. The German press replied to these attacks in vehement terms.¹

In September, 1938, Hitler demanded the Sudetenland, which at the time was a part of Czechoslovakia. At Munich, September 30, France and England yielded and Germany was given Sudetenland.²

With affairs in such a state because of the actions of Germany and Italy, the United States welcomed the coming of the Eighth International Conference of American States scheduled to meet December 9, 1938. The United States Government had a two-fold purpose: "... Keep the Americas out of war and keep war out of the Americas."³ When the Conference opened at Lima, Peru, December 9, 1938, the danger of Axis penetration of Latin America by military invasion or by the indirect method of propaganda organizing political parties was real and imminent.⁴

¹T. A. Bailey, A Diplomatic History of the American People, p. 748.
²Ibid.
The danger evidently had not been realized by Argentina.

As early as March, 1938, Jose Maria Cantilo, Argentine Foreign Minister who had replaced Saavedra Lamas, suggested that the Lima Conference be postponed for two years.\(^5\) He had also said to S. Pinckney Tuck, United States Charge d'Affaires at Buenos Aires, that although Argentina believed in some type of continental solidarity, she could not turn her back on Europe, and would not sign any military pact that might give that impression to the world.\(^6\)

The opening address of the Conference was delivered by Cantilo, who was head of the Argentine delegation. He placed emphasis on the fact that there were vast differences between the cultures, religions, economics and foreign policies of the United States and those of Latin America.\(^7\)

The minister was all for cooperation, but was against any strong declaration or statement to that effect. He said:

> ... Pan American solidarity is a fact that nobody can or will doubt. All and each one of us is ready to sustain and prove this solidarity, in the face of any danger, which, from whatever source, might threaten the independence or sovereignty of any state of this part of the world. We do not require special pacts for this. The pact is already made in our history. We would act with one and the same impulse, eliminating frontiers and under one flag for everybody, the flag of liberty and justice.\(^8\)

Hull presented the United States objectives on December 10. The Secretary wanted to strengthen the Consultative Pact which had been signed at the

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\(^5\)Ibid.

\(^6\)Ibid.


\(^8\)Hull, *op. cit.*, I, p. 605.
Buenos Aires Conference of 1936. He wanted a strong statement that would be effective toward slowing down any European plans for ideological or military invasion of the Western Hemisphere. In his statement he declared that:

... Each and all of us desire to maintain friendly relations with every nation of the world. ... But there should not be a shadow of a doubt anywhere as to the determination of the American nations not to permit the invasion of this hemisphere by activities contrary or inimical to their basis of relations among nations.8

The Conference finally adopted a compromise of all the different views and aims of the different nations. There can be no solidarity unless there is unanimity. Each nation had its own interest to consider. Argentina had little trouble in leading Paraguay, Uruguay, Chile and Bolivia to balk at any strong declaration aimed at Europe. 10 Part of the Declaration of Lima as adopted by the Conference is as follows:

The American Republics declare:

1. That they reaffirm their continental solidarity and their purpose to collaborate in the maintenance of the principles upon which the said solidarity is based;
2. That, faithful to the above-mentioned principles and to their absolute sovereignty, they reaffirm their decision to maintain them and to defend them against all foreign intervention or activity that may threaten them;
3. 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 convention in force and by declaration of the Inter-American conferences, using the measures which in each case the circumstances may make advisable. It is understood that the Governments of the American Republics will act independently in their own individual capacity, recognizing fully their juridical equality as sovereign states. .. 11

9 "Text of Secretary Hull’s Speech at Lima", New York Times, Dec. 11, 1938, p. 56 L.
11 Ibid.
The Declaration also included provisions for meetings of the foreign ministers when deemed advisable by any one of them.

The Conference also adopted the "Declaration of American Principles." This declaration contained eight rules of conduct, which the American nations pledged to observe in their inter-American affairs. In order to combat the "Fifth Column", the conference adopted a resolution on foreign minorities and on the political activities of foreigners. The Conference adjourned on December 27, 1938.

During 1939, the United States made another attempt to close the big, open link in the Roosevelt chain of "Good Neighbors" in the Western Hemisphere. This link was Argentina. Since 1934, the United States had tried to overcome: Argentina's historic dominance by Great Britain; her fear of United States imperialism; her insistence that the United States lift its 1930 ban on imports of Argentine beef; and Argentina's across the table system of bilateral trade. The job was assigned to Sumner Welles, Acting Secretary of State, and Argentine Ambassador Felipe Espil. Roosevelt, Hull and Welles wanted a United States-Argentine reciprocal trade agreement, and tried to find ways and means to convince the Ambassador that with the United States and not Great Britain lay Argentina's future. This was not an easy task due to the strong economic ties between the two countries. Great Britain had approximately $2,000,000,000 invested in Argentina. She owned the largest Argentine railroad, and had customarily taken about 40 per cent of all Argentine exports. However, Argentina

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12Ibid., p. 872.

noted that Great Britain was steadily shifting its agricultural trade to its colonies, and that Argentina was being set up only as a great emergency storehouse for wartime food supply. During the last week in August, 1939, Argentina suddenly changed its trade system to one of import control, freezing foreign exports to Argentina at 1934-1936 levels, then setting import quotas. With this shift by Argentina to multilateral trade, Welles stepped in and the United States announced a proposed trade agreement. It was believed at the time that, perhaps, a satisfactory agreement could be reached and that a trade agreement would soon be perfected between the two nations. The following statement appearing in Time was proof of the belief:

... Argentina, world's greatest cattle exporter, had given way at last on its beef. The United States still will not import fresh, chilled or frozen meat from the pampas, in deference to the ire of United States cattle men. . . . The United States' concession to the Argentine will come on canned, cured and dogfood meats, linseed, flaxseed, grapes, pears and coarse wools.

All the optimism of September, 1939, was chilled by the statement issued jointly by the United States and Argentina January 9, 1940, which follows:

... In the reciprocal trade negotiations between the Governments of the United States and Argentina, notwithstanding the efforts of both parties, it has not been found possible to reach a satisfactory basis to permit the conclusion of an agreement, and the two governments have agreed to terminate them. . . .

In keeping with the pledge made in the Declaration of Lima, December, 1938, nine governments requested a meeting of the foreign ministers

14Ibid.

15Ibid., p. 11.

16S. Shepard Jones and Denys P. Myers, Documents on American Foreign Relations July 1939 - June 1940 (Boston, 1940), II, p. 479.
to be convened in Panama during September, 1939. The purpose of the meeting will be noted in the statement of the Panamanian Minister of Foreign Affairs:

... In view of the recent international events which have stirred the entire world, the Government of Panama has joined with the greatest of pleasure the joint request which the Governments of Argentina, Brazil, Chile, Colombia, Cuba, the United States of America, Mexico and Peru have sent to the sister republics of the American Continent for the purpose of placing into operation the procedure of consultation provided for and agreed upon in the pertinent conventions and declarations of Buenos Aires and Lima, and to hold, with that purpose in mind, a conference among the Ministers of Foreign Relations of the twenty-one American republics in Panama City.\(^17\)

The Panama meeting of the Foreign Ministers opened on September 23, 1939. One of the first matters to be taken up by the foreign ministers in their first meeting was that of neutrality. The United States had taken the necessary action to safeguard its neutrality. Congress had adopted the first Neutrality Act in August, 1935, which included temporary measures to safeguard the neutrality of the United States in face of the conflict between Italy and Ethiopia. The 1936 Neutrality Acts were passed in view of the war clouds gathering in Europe. The acts strengthened and extended the Act of 1935, and in January, 1937, the Third Neutrality Act made the former acts applicable to civil as well as to international war.\(^18\) It appears that the purpose of the United States at the time of the first meeting of the foreign ministers was that of Pan Americanizing the already passed American neutrality acts.

The ministers on October 3, 1939, approved a General Declaration of Neutrality and the Declaration of Panama. There were other matters discussed but these were perhaps the most important declarations. The Neutral-

\(^{17}\) Ibid., pp. 99-100.

ity Declaration provided for common rules of neutrality such as prevention of the use of their territories by warring nations as bases for operation, enlistment, or the establishment of radio stations for propaganda broadcasts. The Declaration of Panama stated that, for continental self-protection, the American republics, so long as they were neutral, were entitled to have the water next to them free from any ships of the warring nations. The purpose of this clause was to keep the warships of Germany, France and England out of American waters. The declaration outlined a zone of 300 to 1000 miles out from the coast of North and South America. This neutral zone was to be patrolled by the American republics. The President of Panama was authorized to notify the warring nations of the zone and to request them to respect it. The declaration also placed the Americas on record as being opposed to any change of sovereignty of colonies in the American region.

Among the other accomplishments of the Panama meeting was the creation of two permanent standing inter-American committees. One committee, the Inter-American Financial and Economic Advisory Committee, was composed of representatives of each of the American republics. Its purpose was to make a study of all financial and economic questions affecting the American nations. This committee was very useful during the war in keeping inter-American communications and trade open. The second committee, the Inter-American Juridical Committee, was intended to formulate general standards of conduct relative to the neutral status of the American states.

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19 Hull, op. cit., I, p. 689.
20 Jones and Myers, op. cit., pp. 115-117.
21 W. H. Chamberlain and R. C. Snyder, American Foreign Policy, p. 706.
work of this committee was enlarged in scope by the Third Consultative Meet-
ing of January, 1942. The ministers completed their work on October 3, 1939.

There were many violations of the American Neutral Zone declar-
ation. One British merchantman was sunk within the zone even as the Pana-
ma Conference was in session. There were many diplomatic notes exchanged
with the belligerents over the American zone. The most outstanding viola-
tion of the declaration occurred in December, 1939. Three British cruisers
attacked the German battleship Graf Von Spee just off the coast of Uruguay.
The damaged German ship went into the harbor at Montevideo. The Uruguayan
Government ordered the ship to depart or be interned. The German command-
er, seeing that his ship could not have been repaired within the time limit,
steamed outside the harbor and scuttled his ship. Protests were sent to
England, France and Germany. Replies were forwarded by each of the na-
tions concerned. The replies of the European nations were varied. Church-
ill replied that Great Britain would be glad to respect the wishes of the
American states, if America required all belligerent to comply. He further
stated:

... The acceptance by His Majesty's Government of the
suggestion ... must clearly be dependent upon their being as-
sured that the adoption of the zone proposal would not provide
a sanctuary from which they (the Germans) could emerge to at-
tack Allied and neutral shipping, to which they could return
to avoid being brought to action. ...

Churchill also stated that Britain would readily comply if the United States
Navy took charge of the patrolling.

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23 Hull, *op. cit.*, pp. 690-691.
24 Jones and Myers, *op. cit.*, pp. 122-125.
The French believed that the American neutral zone would work to the disadvantage of the Allies. The French reply of January 23, 1940, stated that:

... Numerous German merchant vessels normally have no other resource for the escaping the legitimate exercise of the right of taking prizes than to seek refuge in American ports. The institution of the zone of protection could have the effect of releasing them and thus depriving the Allies of advantages for them arising out of their naval superiority over Germany. It would therefore have to include, on the part of each American government, effective measures adopted to hold in its ports the German ships which have taken refuge there. 26

The German Government declared that the Declaration of Panama would mean a change in existing international law, and that the German Government was willing to take up consideration of the proposals. In other words, the German Government declared the declaration illegal under existing international law. The German reply stated in effect that:

... The German Government cannot recognize the right of the Governments of the American Republics to decide unilaterally upon measures in a manner deviating from the rules hitherto in effect. ... 26

It is to be noted that Argentina was in complete accord with the proceedings of the First Consultative Meeting of Foreign Ministers. There is no mention of Argentine obstructions as has been the case in former meetings. The Argentine attitude at this meeting was noted by Sumner Welles. His statement follows:

... I must emphasize the altogether co-operative, helpful and able services rendered during the meeting at Panama by the Argentine delegation, headed by Dr. Leopoldo Melo. Dr. Melo's long experience in the public life of his own country has caused

25 Ibid., p. 126.
26 Ibid., p. 129.
him to be generally regarded as one of the elder statesmen of the Western Hemisphere, and at the meeting he consistently exercised his ability to achieve practical and successful results. In fact, throughout the meeting there was not the slightest cloud upon the horizon of inter-American unity.27

After the failure of the United States and Argentina to reach an agreement as expressed in the joint statement of January 8, 1940, the Argentine nation felt free to seek elsewhere for trade agreements. In the face of United States denunciation of Japanese aggression in China and the termination of the United States-Japanese Commercial Treaty of 1911 by the United States, July 26, 1939, to be effective January, 1940, 28 Argentina and Japan signed a reciprocal trade agreement under the terms of which both countries agreed to buy goods from each other to the value of thirty million yen ($15,000,000), during the current year of 1940.29

With the downfall of France and the apparent success of the German army, it became evident that there was a strong possibility that Germany might take over the French possessions in the New World. The Congress of the United States, at the proposal of Hull, passed a joint resolution, June 18, 1940, which stated:

... That the United States would not recognize any transfer, and would not acquiesce in any attempt to transfer, any geographic region of this hemisphere from one non-American power to another non-American power; and that if such transfer or attempt to transfer should appear likely, the United States shall, in addition to other measures, immediately consult with the other American republics to determine upon steps which should be taken to safeguard their common interest.30

27Welles, op. cit., p. 214.
28Jones and Myers, op. cit., p. 242.
30Congressional Record, 76th Cong., 3rd. sess., pp. 8559-8560.
Secretary Hull warned Germany and Italy on June 18, 1940, that the United States would not tolerate any transfer of colonies in the Western Hemisphere from one non-American power to another. The German foreign minister replied to the effect that the Monroe Doctrine would prevent any intervention by the United States into the affairs of Europe.

Other activity on the part of the United States to supplement the Good Neighbor policy during 1940 was the extension of the Trade Agreements Acts and the granting of a huge loan to Argentina. The Export-Import Bank extended credit of $60,000,000 to Argentina. This loan was designed to stabilize the currency of that country, and thereby permit imports to continue in spite of the loss of normal exports of that country due to the war.

The American foreign ministers convened July 21, 1940, at Havana, Cuba. The agenda prepared by a special committee of the Governing Board of the Pan American Union contained the following: Neutrality, Protection of the Peace of the Western Hemisphere, and Economic Cooperation. Hull, in addressing the meeting, called for inter-American action based on self-defense to preserve the freedom of every American state. He stated that the European possessions in America should not be permitted "to become a subject of barter in European settlement or a battle ground for adjustment of such differences existing in Europe." He proposed the establishment of

31 Chamberlain and Snyder, op. cit., p. 706.
32 Ibid.
33 Time, April 8, 1940, pp. 14-15.
34 C. H. Haring, Argentina and the United States, p. 52.
35 Shepardson and Scroggs, op. cit., p. 142.
a trusteeship in the name of all American republics over the European possessions, which were to be restored to the owners or be declared independent, when they become able to govern themselves.

The question debated was whether a definite line of procedure, to be followed immediate when the occasion arose, should be arranged in advance or should the states await developments of European events before consultation as to the next step. Hull insisted on immediate action so as to keep the colonies out of German hands in case of a German victory. Argentine's delegate maintained that immediate action was not necessary, that the people of the territories should be consulted before being brought under a new administration. He based his argument on the fact that the assumption of authority over territory claimed by a European government would be considered an act of war, and that he could not commit his country to war because that could only be done by the Argentine Congress.36

The outstanding accomplishment of the Conference was the "Act of Havana Concerning the Provisional Administration of European Colonies and Possessions in the Americas," and "the Convention on the Provisional Administration of European Colonies in the Americas."37 The representatives approved plans for a joint trusteeship of disputed European territory in the New World, for economic collaboration, and for means to combat "fifth column" activities in the Americas, subject to ratification of the various American governments.

36 Ibid., p. 143.
37 Wells, op. cit., p. 215.
38 Richardson and Scroggs, op. cit., p. 145.
The large percentage of Germans included in the total Argentine population could be advanced as one reason for the increased Nazi activity during 1940. Argentina appears to have had more trouble than any other American republic in the matter of Nazi "fifth column" activity. Of the estimated total population of 12,760,000, there were approximately 250,000 Germans. These figures include descendants to the third generation. Germany held to the "double nationality" theory of citizenship, which meant a German may move to live anywhere in the world, but once a German always a German. In connection with an investigation of Nazi and "fifth column" activities, twenty-five Nazi leaders and several Argentine citizens were arrested and large stocks of machine guns, rifles and ammunition were discovered.

The Government of Argentina unearthed a secret cache of hidden arms hidden by the bund on the premises of a German. This contained 50 machine guns, 3,500 rifles, and several hundred thousand rounds of ammunition.

A deported gestapo agent and his followers were arrested in Argentina for attacking Jews and business establishments owned by Jews.

Such was the condition in Argentina with the coming of the critical war years of 1941-1945.

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40 Ibid.
CHAPTER IV

ARGENTINE-UNITED STATES RELATIONS DURING THE WAR YEARS

Although the efforts of the United States and Argentina to reach a satisfactory trade agreement ended in failure January 8, 1940, Argentina indicated to the United States delegates attending the Havana Conference of July, 1940, that the war and blockade had upset her international commerce. Argentina asked if the United States would purchase quantities of the Argentine surpluses that had accumulated. This gave rise to the negotiations beginning on May 13, 1941. This new effort resulted in the trade agreement of October 14, 1941.

The Argentine-United States agreement reduced United States tariff on 69 per cent of its imports from Argentina and guaranteed not to increase or levy duties on most of the others. Argentina reduced its tariff on only 18.2 per cent of imports from the United States, and agreed not to discriminate against the United States except in favor of Great Britain and the states of the "sterling area" and Argentina's near neighbors. The agreement seemed to have been all in the favor of Argentina. The United States, however, kept its "favorite nation" concession with reference to Cuba.

To properly determine the general attitude of the Argentine citizens toward the United States during the war years would require an intensive study of the different elements of that complex population. However,

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1Cordell Hull, Memoirs of Cordell Hull, II, p. 1140.
a study of the newspaper accounts, statements, and editorials shows United States sentiment in Buenos Aires, during 1941, as being divided.

An editorial in La Prensa of Buenos Aires stated:

... The need becomes more evident every day to cooperate for the defense of the continent, threatened by the European war to become a victim of the aggression of peoples who have shown their contempt for the existence of independent nations.5

The opposite sentiment was expressed in Noticias Graficas of the same city:

... What if the United States, the great democracy to the north, does enter the war? The United States has political, economic, financial, and even racial motives, which though most respectable, Argentina, to state it frankly, has not.4

It is now an established fact that the officials in control of the Argentine Republic engaged in grave complicity with Nazi Germany during the war years. These officers of the Argentine Government preferred an Axis victory over the Allies. This fact was disclosed to Germany only.5 The United States State Department, through investigations conducted in Germany since the war, has uncovered facts to prove that:

... In May, 1942, acting President Castillo frankly conveyed to Germany through authorized channels that he believed in and hoped for "the victory of the Axis Powers"; that he had "based his policy upon that" desired result; and that, rather than sever relations with the Axis, he had determined, if necessary, "eventually to come out openly on the side of the Axis powers." Those who seized the reign of power in 1943 shared this attachment even more deeply and implemented it in many ways.6

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3"I See By the Papers", The Pan American Magazine, June, 1941, p. 38.

4Ibid.

In spite of the obstruction of the Argentine Government, the "Good Neighbor" policy served a very useful purpose during the critical years of World War II. When Japan attacked Pearl Harbor on December 7, 1941, the republics of America attempted to live up to their pledge stated in the Act of Havana of 1940. The countries which had been the victims of United States intervention prior to 1933 were first to come to the aid of their sister republic. Cuba, Panama, the Dominican Republic, Haiti, Nicaragua, Guatemala, Honduras, El Salvador and Costa Rica declared war against the enemies of the United States and took their stand with the United Nations in the Declaration of January 1, 1942. All the other countries sent messages of sympathy. Even Argentina declared that she would not treat the United States as a belligerent.\(^7\)

The death of President Ortiz placed the government of Argentina in the hands of Vice President Ramon Castillo. The views of the new president were quite different from those of his predecessor. He permitted his foreign minister to determine the foreign policy of the nation. The actions of Foreign Minister Guinazi were determined for him by the ultra nationalist groups, by elements in the army that were openly pro-Nazi, and by other reactionary influences in Argentina.\(^8\)

On December 9, 1941, two days after Pearl Harbor, Secretary Hull sent notes to the other American republics requesting a meeting of the foreign ministers as provided for in the Declaration of Havana of 1940. The meeting was arranged and scheduled to meet January 15, 1942, at Rio

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\(^7\) L. M. Goodrich, S. S. Jones and D. P. Myers, *Documents on American Foreign Relations* (Boston, 1942), IV, pp. 336-541.

\(^8\) Sumner Welles, *The Time for Decision*, p. 225.
de Janerio, Brazil. There were some objections to the meeting from the Argentine Republic. That nation had objected to the signing of the United Nations Charter by nine Latin American countries without consulting the other American nations. She objected to calling the meeting of the foreign ministers on the grounds that Japan had attacked Hawaii and not the American continent itself, and that no aggression had been committed upon the New World, therefore, there was no legitimate reason for immediate consultation. The Argentine Government did not get any support from the other Latin American republics and later announced that it would be represented at the meeting of the ministers.

Prior to the departure of the delegation, the United States sent to Argentina and Brazil the text of a proposed declaration breaking off diplomatic relations with the Axis powers. This procedure proved to be a diplomatic blunder in that it gave the Argentine Government time to build up opposition even before the meeting convened. The Argentine minister, Guinazi, arranged a meeting, before the conference, with the foreign ministers of Bolivia, Paraguay, Uruguay and Chile. He hoped to create a bloc, which would oppose the objectives of the United States. After the meeting, the Argentine minister found that he had only one sympathizer - Chile.

When the foreign ministers of American States met in Rio de Janerio, January, 1942, Mexico, Colombia and Venezuela introduced a draft which proposed a clean-cut break by all with all three enemies, but due

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9Ibid., p. 220.
11Goodrich, Jones and Myers, op. cit., IV, PP. 339-340.
to the opposition of Argentina and Chile, this original draft had to be changed to secure unanimity. This is what the United States desired most of all. The final declaration as signed by the ministers contained the following important paragraph:

... The American Republics, in accordance with the procedures established by their own laws and in conformity with the position and circumstances obtaining in each country in the existing continental conflict, recommend the breaking of their diplomatic relations with Japan, Germany and Italy, since the first-mentioned State attacked and the other two declared war on an American country.

There was a strong demand by the republics who had agreed to the first draft to leave Argentina and Chile to pursue a separate course of action, but the United States insisted on unanimity.

Welles, in explaining the action of Argentina during 1942, gave as the principal reason for Argentine obstruction the fact that fate had been unkind to that nation. President Ortiz, whose influence would have succeeded in keeping Argentina united with other American republics, had passed from the scene. Three leaders, all opposed to Argentine neutrality, died almost at the same time. These were former Presidents Alvear and Justo, and Vice President Roca. The Castillo Government imposed strict censorship over all sources of information. This method was also used by the government that succeeded the Castillo government in 1943. This censorship deprived the Argentine citizen of accurate knowledge of world affairs. It was impossible for the public to know the reaction of other

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12 Welles, op. cit., p. 233.
14 Welles, op. cit., p. 233.
Latin American nations to the Argentine foreign policy.\textsuperscript{15}

It is believed that Argentine-Nazi complicity was suspected by American delegates at the Rio Conference. This belief can be substantiated by the fact that the United States insisted on unanimity at the expense of changing the original draft so as to have Argentina sign the declaration.

Recent investigations by the United States State Department have revealed that Argentina requested submarines, airplanes, tanks, anti-tank guns, anti-aircraft guns, powder and other materials of war from Germany during the months of July, August, September and October, 1942.\textsuperscript{16} The Argentine Government and one of Hitler's secret agents selected an Argentine Nazi by the name of Osmar Helmuth to enter into negotiations with the German Government in Berlin for arms. This venture failed only because the Allies arrested Helmuth while enroute to Berlin.\textsuperscript{17} In July, 1942, the Nazis promised Argentine deliveries of German supplies by German blockade runners, but when the handling of the matter did not satisfy Hitler, Ribbentrop forced severance of relations by Argentina. German officials questioned by the occupation forces have stated that steps were taken in 1943 by representatives of the Argentine military in collaboration with Nazi agents for the penetration of Paraguay and Uruguay.\textsuperscript{18}

The German Embassy in Argentina was provided a clear channel for the transfer of funds between Germany and Argentina by the use of "confidence" men in Argentina and in neutral Europe. German business firms,

\textsuperscript{15}Ibid., p. 235.
\textsuperscript{16}The Argentine Situation, p. 6.
\textsuperscript{17}Ibid.
\textsuperscript{18}Ibid.
\textsuperscript{19}Ibid., p. 50.
well known by the United States Foreign Office, enjoyed freedom in Argentina. The reason for this freedom is now known. After attending the Rio Conference and the Washington Conference in 1942, the Argentine Foreign Minister, Ruiz Guinazi, gave the German Charge d'Affaires assurance that the measures adopted by Argentina in 1942 for the inspection of German enterprises would not operate so as to disturb German interest. 20

On January 20, 1943, Chile formally broke off diplomatic relations with Germany, Italy and Japan. Thus, all the American nations united against the common enemies with the exception of Argentina. That country continued to act in negligent fashion toward the activities of the Axis representatives. On June 4, 1943, the Castillo Government was overthrown by a military revolutionary committee, which resulted in General Pedro Ramirez becoming President of the Argentine Republic. 21 The United States, thinking that the change was for the better, recognized the new government on June 11. The new officers of Argentina promised to break off relations with the Axis as soon as possible. However, Argentina continued to maintain friendly relations with Germany, Italy and Japan. Argentine Foreign Minister Storni informed the United States that the Ramirez Government could not break with the Axis Powers without serious repercussions. 22

The United States began to put economic pressure on Argentina August 2, 1943, when the Office of Economic Warfare announced that all licenses for export of commodities to Argentina had been revoked. 23

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20 Ibid., pp. 45-46.
22 Ibid., p. 1386.
23 Leland M. Goodrich and Marie J. Carroll, Documents on American Foreign Policy (Boston, 1945), VI, p. 524.
ber 7, 1943, Argentina recalled Felipe Espil, Argentine Ambassador at Washington, and appointed Adrain Escobar to his position. On October 12, 1943, all Jewish newspapers in Buenos Aires were ordered to cease publication, and on this same date all Argentine cabinet members who had favored the immediate breaking of relations with the Axis resigned. These events proved that the government was moving in the direction of closer relation with the Axis, and that all who opposed this move were replaced by others who favored the action of the government.

Some of the citizens of Argentina started protesting the action of the government. About one hundred fifty prominent Argentinians signed a declaration demanding effective democracy and loyal fulfillment of international obligations. This declaration appeared in four Argentine newspapers on the morning of October 15, 1943. The government fought back, and on October 16, President Ramirez discharged all government employees who had signed the declaration of October 15. On November 10, the government established strict censorship over the press by organizing a department of Information and Press, which was given power to regulate the activities of the local press and foreign correspondents. On December 31, 1943, a decree dissolving all political parties was issued.

Such was the condition in Argentina at the close of the eventful year 1943. It appeared to have been a battle between the government on the one hand and the people of the republic on the other, with the government having the upper hand in the conflict.

24 Ibid.
25 "Four Quit Cabinet in Argentine Crisis" New York Times, October 14, 1943, p. 8L.
26 Goodrich and Carroll, op. cit., VI, p. 524.
27 Ibid.
During January 1944, there were several problems added to the already troubled situation in Argentina. The Argentine Republic became aware of the fact that the United States had definite proof that the Ramirez Government had encouraged and assisted in the recent revolution in Bolivia, which had resulted in the overthrow of the government of that country, and the installation of Major Villarroel as President. This change occurred December 20, 1943, and the new government had issued a statement to the effect that that government would remain aligned with the United Nations and would still be governed by the inter-American treaties and commitments signed by the former government. Another event, which added to the Argentine-Nazi complicity suspicion, held by the United States and other Latin American nations, was the Osmar Helmuth case (mentioned above).

Confronted with this embarrassing situation, the Argentine Foreign Minister, Alberto Gilbert, told American Ambassador Armour, on January 24, 1944, that Argentina would break off diplomatic relations with the Axis in a few days. Finally on January 26, 1944, the following telegrams were exchanged between President Ramirez and President Roosevelt:

... I have the honor to inform your Excellency that in the exercise of Constitutional powers, I have proceeded to sign the decree of breach of diplomatic relations with the Governments of Germany and Japan. . . .

President Roosevelt's statement expressed his pleasure in learning of the act:

30 Ibid.
31 Goodrich and Carroll, op. cit., VI, p. 536.
... I wish to express to your Excellency my pleasure in learning of the decision of your Government to sever diplomatic relations with Germany and Japan. ...  

Argentina, on February 4, 1944, issued a decree severing relations with Bulgaria, Vichy France, Hungary and Rumania, but on February 15, a group of army officers took charge of the government, forced President Ramirez to resign, and named General Edilmiro Farrell, the Vice President, to take charge of the government. The American attitude toward the Argentine situation was summed up by Acting Secretary of State Stettinius on March 4, when he stated:

... Prior to February 25, the Argentine Government had been headed by General Ramirez. On January 26, 1944, his government broke off relations with the Axis and indicated that it proposed to go further in cooperating. ... Suddenly on February 25, under well known circumstances, General Ramirez abandoned the active conduct of affairs. This Government has reason to believe that groups not in sympathy with the declared Argentine policy. ... were active in this turn of affairs.

The Department of State thereupon instructed Ambassador Armour to refrain from entering official relations with the new regime pending developments. This is the present status of our relations with the existing Argentine regime.  

United States Ambassador Norman Armour was instructed to return to Washington for consultation June 27, 1944, and on July 26, Secretary Hull issued to other Latin American governments a full length review of the Argentine situation in which specific charges of collaboration with the Axis were made. Hull stated that:

... At this most critical moment in the history of the American Republics, the Government of one great Republic, Argentina, has seen fit to take two steps which have resulted in tremendous injury to the Allied cause, to wit: (1) it has deliberately violated the pledge taken jointly with its

32 Ibid.
33 Ibid.
sister republics to cooperate in support of the war against the Axis powers, and in thus deserting the Allied cause has struck a powerful blow at the whole system of hemispheric cooperation; (2) it has openly and notoriously been giving affirmative assistance to the declared enemies of the United Nations...

Hull further charged the Farrell government with forcing President Ramirez to delegate his authority to the Farrell government, with setting free Axis spies and agents arrested during the previous administration, and with obtaining newsprint for the pro-Axis newspapers, with carried on a bitter campaign against the United States. Hull cited an article printed in a Buenos Aires newspaper, La Fronda, on the Allied landing in France:

"...It is most comforting that all the peoples of the continent are closely grouped under the brilliant leadership of Hitler, who has been supernaturally transformed by developments into...more than an intrepid defender of Germany, he is the defender of Europe."

After the release of the Hull statement on the Argentine situation, the Argentine Ambassador to the United States was called home by his government. The Argentine gold stocks in the United States were frozen, and on September 26, 1944, the State Department announced that merchant ships would stop picking up northbound Argentine cargoes. The Hull charges were denied by Argentina's Foreign Minister, Orlando Peluffo, and that country withdrew from the Montevideo Committee for the Political Defense of the Continent, which had been created at Rio de Janeiro in 1942. The Hull charges were admitted as being true by the Gabildo, a nationalist paper of Buenos Aires. That paper declared:

35 Ibid.
The Argentine Government since the time of Castillo has been convinced of the necessity that Argentine voices should be raised in defence of the principle of sovereignty and has dedicated itself to the task of having newsprint manufactured for the Government's account, and selling it to those organs that, being blacklisted, cannot purchase any directly from Argentine factories.\textsuperscript{37}

The July 26 statement of Secretary Hull caused a general breakdown of the relations between the United States and Argentina as well as between Argentina and the other American states. Argentina requested a meeting of the foreign ministers so as to discuss the question with her American neighbors, but the proposal was given a chilly reception by the Governing Board of the Pan American Union. Argentina, angered by the action of the Governing Board, severed her relations with the Pan American Union. The Governing Board at a later session (January 8, 1945) voted to take up the Argentine question at the Conference scheduled for March, 1945.

The Inter-American Conference on Problems of War and Peace convened at Mexico City, and six of the more important agreements reached were given by Secretary of State Stettinius at the close of the session March 8, 1945. These agreements were:

\textbf{... First, we have reaffirmed our wartime collaboration in the common struggle against the Axis. }... Second, after full discussion the twenty American Republics have endorsed the Dumbarton Oaks Proposals as a basis of the Charter for the World Organization to be written at the United Nations Conference in San Francisco. ... Third, in the Act of Chapultepec, we have taken steps. ... in developing machinery for united action. ... Fourth, the Mexico Conference has also adopted sweeping and specific measures toward strengthening and reorganizing the inter-American system. ... Fifth, we have dedicated ourselves. ... to American principles of humanity and

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  \item \textsuperscript{37} "Argentina Helps Anti-United States Papers," \textit{New York Times}, September 18, 1944, p. 5C.
\end{itemize}
to raising the standards of living of our peoples. . . . Sixth, every one of the twenty American Republics. . . has joined in a resolution stating a united policy toward Argentina. 39

The Conference, in its Final Act, extended an invitation to the Argentine Nation to adhere to the inter-American principles arrived at during the Conference. Finally, on March 27, 1945, Argentina declared war on the Axis and accepted the invitation to rejoin the American republics. She signed the Act of Chapultepec April 4, 1945, and the United States removed its special economic restrictions on trade imposed during August and September, 1944. President Roosevelt, in what was perhaps his last act in connection with the "Good Neighbor" policy, appointed Sprville Braden Ambassador to Argentina.

39 Goodrich and Carroll, op. cit., VII, pp. 708-710.
40 Ibid, p. 776.
SUMMARY

The American neighborhood in 1933 was filled with hatred, jealousy, fear and suspicion. This condition was the aftermath of the events of the period from 1898 to 1932. During that period, the smaller American states had watched, helplessly, the large American state, the United States, run roughshod over some of the smaller nations. The United States controlled the destinies of all the nations around the Caribbean Sea. American financiers, backed by the United States Government, had taken charge of the economic developments of these countries. The United States mighty armed forces had intervened whenever and wherever any activity on the part of the nations concerned threatened to disrupt the activities of these investors. Terms like "dollar diplomacy" and the "big stick" became the battle cry of these countries against the United States.

During the 1920's, the Latin American countries, led by Argentina, began to speak out against intervention. Little by little, because of public sentiment at home and abroad, the United States began to relinquish the economic and political control over the countries of Latin America. Into this chain of events, came a new administration, a new theory, and a new foreign policy - the "Good Neighbor" policy, as expressed by the new President, Franklin Roosevelt. The United States took a definite stand against intervention.

At the Montevideo Conference of 1933, the "Good Neighbor" policy was initiated in the midst of widespread suspicion. However, most of the nations of Latin America, inspired by the consistent statements and activ-
ities of the President of the United States, changed their attitudes from that of suspicion to that of outspoken cordiality. Among those not adhering to the benevolence expressed by the United States was Argentina. That country believed that it should lead in the development of any inter-American move toward cooperation. Argentina became the chronic obstructionist to every effort of the United States toward inter-American cooperation. This adverse attitude was shown at every inter-American Conference. The United States yielded to the Argentine demands in favor of compromise versions to every treaty, convention or protocol.

Because of the competition existing between the agricultural products of the United States and Argentina, the two countries could not reach any satisfactory agreement in respect to trade under the United States Trade Agreements Act, passed by the Congress in 1934. It was not until 1941, that the two nations agreed to a trade agreement, which was not altogether satisfactory.

The relations between these two nations reached such a state during the war years that it became necessary to sever diplomatic relations. Argentina appeared to have been the only Nazi outpost in the new world, and was accused by the other American nations of complicity with the Axis powers. She entered into secret agreements with the German Government during the war years, but finally, when the Axis defeat was evident, rejoined the American nations by declaring war on the Axis powers at the last hour.
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