THE ROLE OF CORDELL HULL IN THE DEVELOPMENT
OF THE GOOD NEIGHBOR POLICY

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CHAPTER I

INTRODUCTION

The role of Cordell Hull in the development of the Good Neighbor policy towards Latin America has been unclear and is the problem for this thesis. In much historical writing, this role does not seem to emerge clearly. There are explanations for this. There has been a tendency to overlook or completely neglect Hull's role. Authors who have dealt with the subject of New Deal foreign relations mention Hull, but they do not actually analyze his philosophy or the extent to which his philosophy of foreign affairs was implemented in the conduct of diplomacy. This is especially true in the case of the development of the Good Neighbor policy. This neglect has been reflected in a number of ways.

First, there are those writers who attribute the new policy to Sumner Welles. This is understandable. Sumner Welles was the ambassador to Cuba during the crisis that developed there late in 1933, a crisis that was settled in a manner which was consistent with the new Latin American policy.

policy which will be discussed shortly. He was also a mem-
er of the delegation to Montevideo to attend the Seventh
Pan-American Conference. Later on as Assistant Secretary of
State and personal "trouble shooter" for President Roosevelt
he was very active in Latin America as well as in Europe.
However, it must be remembered that during the Cuban crisis
of 1933-34, Hull was the Secretary of State instructing
Welles. At Montevideo Hull was the delegation chairman;
and in the later period of the development of the Good
Neighbor policy he was still the head of the State Depart-
ment.

There are those who feel that the new era in rela-
tions actually began before Hull became Secretary of State.¹
These authors point to isolated cases of restraint in the
use of intervention. They also point out agreements to
withdraw some troops as showing a change from the previous
"Dollar Diplomacy" and "Roosevelt Corollary" days. However,
so far as Latin American reaction was concerned, it appears
that no new feeling or optimism developed in Latin America

¹Alexander DeConde, Herbert Hoover's Latin American
Policy (Stanford, California: Stanford University Press,
1951), pp. ix, xii; and J. Lloyd Mecham, The United States
and Inter American Security, 1889-1960 (Austin, Texas:
University of Texas Press, 1961), Chapter V.
until 1934 following the Cuban settlement and the Montevideo Conference.

Some historians attribute the Good Neighbor policy to President Roosevelt. Again it is easy to understand this. Roosevelt was the chief. However, the president was so preoccupied in his early years with domestic matters, that he left Hull rather free to run the State Department according to Hull's own policies. Hull's role is all the more conspicuous when it is realized that certain of his policies had to compete with the economic nationalism of the New Deal. This will be discussed in the thesis and the fact that Hull prevails over many of the New Deal advisors shows the great influence that Hull had on Roosevelt.

It often happens that when a dynamic person is in the White House, achievements by subordinates are attributed to the chief executive. This is simply the result of executive domination and is likely to be all the more true when it is realized that Hull was of a retiring nature. The latter tendency is increased when it is realized that the Latin Americans tend particularly towards this "strong man"

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image in politics. All the more credit for the development of a new policy towards Latin America is given to Roosevelt because of his famous statement in his first inaugural address in which he promised "... to dedicate this nation to the policy of the good neighbor, the neighbor who resolutely respects himself and, because he does so, respects the rights of others ..." Obviously this phrase or statement does not contain any specific course of action. Roosevelt had only a general philosophy of peace, friendship, cooperation, and world recovery in mind. The statement was not directed at any particular section of the world, but at the world in general.\(^1\) It would take actual actions to give substance to the policy of the Good Neighbor.

In addressing Latin diplomats shortly after his inauguration, Roosevelt began to give more substance to the Good Neighbor policy when he stated: "Each one of us (Latin Republics) had learned the glories of independence. Let each of us learn the glories of interdependence."\(^2\)

\(^1\)The very lack of statements defining or reflecting any specific foreign program prompts this statement.

Interdependence, this word describes the Good Neighbor policy as well as any one word can. It was the acknowledgment that the United States would regard the Latin Republics as equals and would consult with them on questions which might threaten the security of the western hemisphere. Interdependence means that all the Pan-American countries have the obligation to respect each other's sovereignty, and also to restrain themselves from taking unilateral action which might be to the detriment of any of its neighbors. On December 28, 1933, during the Seventh Pan-American Conference at Montevideo, Roosevelt sent the following message which reflects the new United States attitude towards its relations with Latin America.

The definite policy of the United States from now on is one opposed to armed intervention. The maintenance of constitutional government in other nations is not a sacred obligation devolving upon the United States alone. The maintenance of law and orderly process of government in this hemisphere is the concern of each individual nation within its own borders first of all. It is only if and when the failure of orderly process affects the other nations of the continent that it becomes their concern; and the point to stress is that in such an event it becomes the joint concern of a whole continent in which we are all neighbors.¹

During the first four years of the Roosevelt admin-

istration, the years in which the Good Neighbor policy was formed, the United States would unequivocally renounce the use of unilateral intervention. In its place, agreements calling for multilateral consultation to discuss joint action which might be taken to meet threats were signed by the Latin American Nations at the Montevideo and Buenos Aires Conferences to be discussed later. The United States Government would not act as a collector for its financiers any longer, unless it would be done with the agreement of the other Latin Republics. As shall be seen, the United States would refrain from taking action in Cuba, would terminate the Platt Amendment, would give up the right of intervention in Panama, and would cooperate with the League of Nations in settling the Chaco War and various border hostilities.

Non-intervention also meant having respect for the doctrine of self determination of the Latin peoples. No longer would the United States attempt to influence the removal of Latin governments by refusing them recognition. Governments that would prove themselves stable and in control would receive recognition from the United States.

Of equal importance to the development of the Good Neighbor policy were economic adjustments concerning inter-
hemispheric trade. The modifications were necessary so that the Latin Americans could partially correct their unfavorable balance of trade. By reducing tariffs, making bilateral trade agreements and encouraging such agreements between Latin countries, the United States hoped to improve the whole international economic situation. Improving the economies of Latin America in this manner, by increasing their foreign trade, was an important part of the policy of convincing the Latins that the United States was actually concerned about them. Later in this study it will be seen that Secretary Hull felt nothing was more important to good relations between states than those policies which allowed the greatest amount of trade under the most equitable conditions.

Another important characteristic of the Good Neighbor policy was a respectful attitude on the part of the United States. This attitude was to be manifested in respect for the equal sovereignty of a nation, respect for treaty obligations, and respect for the people themselves. This last item, respect for the people, would be reflected by the cultural and student exchanges.

The United States was just as anxious as ever to see

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1"New Era in Pan American Relations," Foreign Affairs, XV (April 1937), 444.
her interests in Latin America protected and expanded. However the State Department came to feel that peace, a trustful attitude, and prosperity among the nations of the western hemisphere would result in the largest overall benefits for the United States. If peace existed, if the volume of trade were high, and if friction could be reduced to the minimum, the United States would be in the best possible position.

This new concept could in one sense be described as a change from the old unilateral concept of "I" to the new multilateral concept of "we". The Latins now began to change their previous hostility and fear into an active desire to cooperate with each other as well as with the United States. This attempt by Secretary Hull to establish more cooperation between the Latin states was an important part of the program since hostilities which might break out between Latin American countries had in the past sometimes led to action on the part of the United States. Now it was hoped that the unified opinion of the Latin Americans would be a substitute for this action. This feeling developed slowly and even today is still developing, but it has been bringing the desired result nevertheless.

The Good Neighbor policy, therefore, involves political, social, and cultural change. It represents both positive actions on the part of the United States, and a
corresponding change in attitudes by the Latin American countries.

Obviously Cordell Hull's philosophy would have to correspond to the principles of the Good Neighbor once he had been appointed Secretary of State. However, in a very real sense, there was already a close correlation between his ideas and those ideas implicit in the Good Neighbor policy. Hull did not have to change his views to conform to the president's new policy, rather, Hull's views did much to shape that policy.

Hull was a Wilsonian in his philosophy of international affairs. He believed in those sometimes idealistic goals of fairness, liberty, and international cooperation. In his memoirs he speaks of "... the urgent need of an awakening and revival in the people's minds and hearts of the doctrines... of human rights, individual liberty, and freedom... There had to be a revitalization and restoration of higher levels of morals, truth, respect, and trust among nations. ..."¹ This philosophy was based on Hull's confidence in popular opinion as a means of keeping peace. If the people of the world were content, if their relations with other peoples of other nations were on an equal basis, then

nations would exist peacefully as states. Hull believed in the desirability of an organization of states to facilitate the friendly discussion and peaceful solving of international questions. As early as 1916 he was participating in discussions concerning the possibility of establishing such an organization. He strongly supported Wilson's attempt to get the Senate to accept the League of Nations. As Secretary of State, Hull cooperated with the League to the fullest extent possible in settling a border dispute between Columbia and Peru in 1933 and in mediating the Chaco War in 1934.

Naturally Hull's philosophy would oppose imperialism and intervention. These two actions are the antithesis of self-determination or popular sovereignty because they represent one power imposing its will upon another, usually with little regard for the latter's wishes. Hull felt that this would then lead to friction on the part of the people and therefore on the part of the nation. Hence war! But if relations were conducted in an air of greater equality and justice, ill-feeling would not result.

Hull felt that a primary basis of these international relations, relations which would spring from the satisfaction of the people and their desire for peace, was economic. Those practices which resulted in the highest level of economic activity both domestically and internationally
would promote peace. If populations raise themselves to a high level of subsistence, it would be more likely that they would want peace. The chief means to bring this about was to be the elimination of restrictions to foreign trade, namely high tariffs.

As a Southern Congressman and Senator it would not be surprising that Hull favored the traditional low tariff policy. But Hull's desire went far beyond simple tradition. To him, lowering tariffs was a positive action toward improving international relations. In a House speech in 1916 Hull stated: "It is undoubtedly true that trade relations will bring nations closer together or drive them further apart than any other (relations) . . . ."¹

Some countries rely more heavily on foreign trade for their prosperity than do others, but all countries are affected adversely by restrictions. When a nation or group of nations begin engaging in nationalistic economic war, friction develops which brings on war. Because of the widely diversified conditions in countries, the greatest multilateral agreement on tariff which could be reached would be the most desired. In the case of Latin America in particular, the great similarity of temperate areas and products

made multilateral trade all the more necessary. Further, certain resources and production capacity were so lacking that the entire area lacked the conditions necessary to a substantial level of prosperity. Conversely, they tended to specialize in products which could only be exported. Therefore, foreign trade was very important to them. Hull felt that many countries were economically in a position of being specialists. If all the specialists exchanged their specialties freely, the greatest level of prosperity could be attained and hostile feelings would be diminished.

Hull recognized, on the other hand, that hostilities might break out. What then? Action must be taken to stop the spread of aggression, but this action should be on a joint basis after due consultation as to which belligerent is the aggressor. Following a policy of peace and justice does not bind a country to pacifism and inactivity. Further spread of hostilities and failure to meet the hostility will lead to enlarged hostilities and general war.

Guiding a nation by these principles is a positive action. In terms of the goals sought, refraining from intervention or other hostile acts is actually a positive action, not negative as it might appear. It is positive just as disarmament, mobilization of public opinion, or the holding of international and regional conferences to
discuss mutual concerns is positive.

In summary then, Hull's foreign relations philosophy may be summed up as including a desire for the establishment of trust and justice in international relations. It was the attempt to do those things which would create friendly attitudes based on the prosperity of the people. These were primarily in the area of increased international trade, but also in the recognition of the doctrines of popular sovereignty and self-determination.

The philosophies of Cordell Hull as manifested in the Good Neighbor policy become more vivid when contrasted with the United States' relations with Latin America in the decades before 1933. Before that year, relations between the United States and the Latin American republics were cool and at times the Latin Americans were openly hostile. A first source of complaint was a grievance that had grown out of the Monroe Doctrine. It was the charge that the United States pursued a paternalistic attitude towards Latin America. This paternalism had evolved into the hated practice of intervention.¹

Intervention had taken different forms at different times. The most direct was military intervention. During

¹"New Era in Pan American Relations," op. cit., p. 443.
the decade of the twenties, the United States had marines in Nicaragua and Haiti controlling the internal affairs of those countries. When internal disorders had erupted which endangered U. S. interests or citizens, the United States didn't hesitate to quickly intervene. Often this military intervention grew into economic or political intervention such as controlling customs revenue to repay investments. Elections and normal processes of government were overseen by the United States. The familiar "dollar diplomacy" of the United States was also regarded as indirect intervention because the United States could dominate the economy of a country through loans and investments.

A second source of complaint was that the Latin republics suffered from an unfavorable balance of trade.¹ This the Latin Americans blamed on the high tariffs of the United States, the dominant economic position of the United States in the hemisphere, and the influence of U. S. corporations in Latin America. High American tariffs not only restricted Latin trade with the United States, but also acted to force European tariffs up in defense. There was the feeling that the United States companies exploited the Latin Americans and prevented native competition from developing. Legitimate

¹"New Era in Pan American Relations," op. cit., p. 444.
or not, these complaints were powerful movers of Latin American public opinion and posed difficulties for U.S.-Latin American relations.

In 1922, Charles E. Hughes, then Secretary of State, stated that the United States had no imperialistic sentiment and wanted to see a prevailing spirit of justice and cooperation. He even went to the extent of withdrawing marines from the Dominican Republic. But this was only one act and it takes many actions and attempts at reform to constitute a whole new policy towards another country or countries.

Following World War I, the United States had been willing to give the Latin Americans more active participation in the structure of the Pan-American Union. However, the chairman and most of the employees continued to be U.S. citizens. The United States was willing to let the Latin Americans make more demands and broadcast their grievances because there was not much fear from Europe to prompt the United States to adopt a tough line in its relations with Latin America.\(^1\) However, the same basic paternalistic attitude that spawned intervention and domination continued so that there was nothing to prevent the United States from taking any action it desired toward Latin America.

\(^1\)Mecham, op. cit., p. 95.
The Latin countries themselves had failed to consult or act together in a multilateral manner during the war and after. The only exception being the ABC mediation of the U. S. - Mexican dispute in 1914. The United States was equally as unwilling to consult or cooperate with the Latin American countries as these countries were reluctant to do the same with each other. The only cooperation the U. S. would recognize was along the lines of a Peruvian proposal which stated: "... that the policy on this continent should be one with the policies of the United States. ..."¹ This was the admission of dominance by the United States, and also an invitation to unilateral action. It was against this unilateral emphasis in hemispheric relations that the Good Neighbor policy was to move with its aggressive emphasis on multilateral effort.

A feeling of continentalism similar to the U. S. feeling of isolationism developed in Latin America after World War I. Latin Americans did not feel that they should have a role in European or Oriental affairs. In the mid-twenties they began to think about cooperation and a better position with the United States.² The United States chose to draw the line at active participation in such a move.

¹Ibid., pp. 85-6. ²Ibid., pp. 92-3.
However, it should be noted that the isolationist sentiment that existed in the United States was not held toward Latin America. One major thing that prevented the Latin Americans from getting the United States to agree to any mutual security arrangements was the realization by the latter of its superior position.\(^1\) For example, the U. S. rejected the Gondra Treaty of peace which would have established temporary investigating committees to look into questions which might disturb hemispheric peace.\(^2\) Acceptance of this treaty would have forced a departure from the unilateral policy the United States had followed.

The growing dissatisfaction of the Latin Americans became more obvious at the 1928 Havana Conference where the United States refused to denounce intervention unequivocally or join in inter-American security plans. Such things as arbitration and investigating committees were discussed but with no action taken.

During the same period, however, this hostility was somewhat reduced by the release of the Clark Memorandum repudiating the Roosevelt Corollary to the Monroe Doctrine. A new explanation of the Corollary simply stated that it had been intended as a means of keeping the Europeans from inter-

\(^1\)Ibid., p. 86. \(^2\)Ibid., pp. 99-100.
vening in Latin America, and that the Americans had no imperialistic plans based on the pretense of protecting Latin America.

There were certain changes in the United State's attitude towards Latin America under the Hoover Administration. Whereas Hoover did not launch the policy of the Good Neighbor, his actions did help to contribute to its base. Hoover's view on intervention is reflected by the following statement:

I can say at once that it never has been and ought not to be the policy of the United States, to intervene by force to secure or maintain contracts between our citizens and foreign states or their citizens.¹

These were not mere words and under Hoover steps were taken to prove that he was sincere. Restraint was practiced in the face of five revolutions in Central America. In previous years these revolutions would probably have resulted in intervention by the United States. Hoover further agreed to place the question of intervention on the 1933 Pan-American Conference agenda.²

Unfortunately for the development of Hoover's policy, certain economic actions were taken that tended to maintain the friction between Latin America and the United States. First there was the Hawley-Smoot tariff. This tariff act

¹DeConde, op. cit., p. 59. ²Ibid., p. 60.
had raised trade barriers around the United States with a resulting injury to Latin America's ability to sell goods on the foreign market. Some of the increases were not great, but a partial injury to their trade plus the offense that Latin Americans took to the higher tariff, served to stimulate hostility towards the United States. ¹

At the same time, the United States was doing nothing of a positive nature to help the Latin Americans economically. There was no foreign aid nor any debt moratorium (although some defaults were allowed).² Again the fact that the debts were private and beyond reach of the United States government's control didn't satisfy the Latin Americans as an explanation.

Hoover did desire peace and friendship, but he was simply not successful in winning over the Latin Americans. One explanation might be that his feelings were reflected to the Latin Americans negatively rather than positively. Sumner Welles states in an evaluation of Hoover's role that Hoover had good intentions and steps were taken in the right direction, but he failed because he had been in Harding's and Coolidge's cabinets and was tinged with interventionist

¹Ibid., pp. 76-7.
²Ibid., pp. 70-2, 125.
relationships growing out of events of the twenties. Furthermore, the depression and the Hawley-Smoot Tariff made these difficult years for U. S. - Latin American trade.¹

Eventually, however, a change in policy did take place and relations with the Latin Americans did improve in the 1930's with the establishment of the Good Neighbor policy under Franklin D. Roosevelt. It is the purpose of this study to make clear the role of Secretary of State Cordell Hull in the development and execution of that policy.

¹De Conde, op. cit., p. 125.
CHAPTER II

HULL'S ROLE THROUGH 1934

In the period between the elections of 1928 and 1932, Hull began to make his political presence felt on the national level. He directed his efforts primarily at steering the party away from the control of Al Smith of New York. Hull's memoirs indicate that his main complaint with the Smith-dominated party was that it didn't establish enough differentiation between the two major parties, especially on the tariff question.\(^1\) The Smith group was committed to high tariff policies, whereas Hull felt that economic revival would come from increasing the amount of international commerce.

During these years Hull contacted numerous party leaders and talked with the national committeemen when they were in Washington. Hull also began to have more and more conversations with Governor Roosevelt when Roosevelt was passing through Washington on the way to Warm Springs. Hull constantly expressed his attitudes on various issues to Governor Roosevelt, particularly on commerce. Gradually the two men found themselves closer together on issues which faced the

party. Hull began to attempt to raise potential support for Roosevelt as the 1932 presidential candidate. He was in an advantageous position to do this since he was so influential in Congress. Within the framework of the party, there arose opposition to Smith's control and philosophy.

The showdown over the policies of the party and control of the party in 1932, came in March of 1931. The Smith-dominated management of the party called for a meeting to take place on March 5, at which they intended to establish the full list of party policies for the coming year. Hull opposed this for it meant inclusion of a high tariff policy and also because he felt that these actions should be those of the National Convention in 1932.

In the weeks before the meeting, Hull issued a number of public statements attacking the proposals of the Smith-dominated National Committee. Hull stated in his memoirs that "... I wanted the Democratic fight in 1932 to be waged on economic issues, including low tariffs and commercial policy. ..."¹ Up to this point, Roosevelt played no important role. But then, two days before the meeting, Roosevelt called Hull and stated that he was sending James Farley and two assistants to aid Hull in his opposition to

¹Hull, op. cit., p. 142.
the Smith group. It was then apparent that Roosevelt was in agreement with Hull and in opposition to Smith.

At the meeting at the Mayflower Hotel on March 5, Hull met with supporters of Smith and discussed the issues with them. He also stressed the need for harmony in the party while at the same time attacking the previously mentioned Smith policies. At the formal meeting Hull and Farley sat together, and in his talk, Hull further attacked the Smith policy of high tariff. The meeting was not particularly dramatic however. The desire of the Smith-dominated National Committee to determine the party policy on the previously mentioned issues or any issue failed. Not only did the National Committee fail, but the obvious split of Roosevelt away from Smith, as reflected by the former's support of Hull, weakened the control of Smith on the party. To those like Hull who opposed Smith, the split now offered a rallying point, Franklin Roosevelt.

Of the period between this meeting and the Democratic Convention of 1932, Hull states in his memoirs:

Although I had now achieved my goal of being in the United States Senate, my role in that body was less important than my efforts toward steering the Democratic Party in the direction I thought it should follow in 1932.

\[1\text{Hull, op. cit., p. 144.}\]  \[2\text{Ibid., p. 146.}\]
In a speech to the Senate on February 5, 1932, Hull continued his opposition to the Democratic Party following a high tariff policy:

There is no disguising the fact that powerful influences are at work, either to commit the Democratic Party to high tariffs and trade isolation, or so to chloroform it that in practical effect it will be handicapped in its efforts to fight for the economic policies in which its overwhelming rank and file believe. The two old parties must not be merged on economic policies.¹

In the same speech Hull called for three needed reforms. He called for a world economic congress, a tariff law which would allow the president the power to negotiate trade agreements, and finally, the lowering of tariffs.² These three items, especially the first and last, were not consistent with the economic nationalism of the New Deal, and yet all would be realized within five years. This in itself is evidence of Hull's influence.

Several weeks before the 1932 convention, Roosevelt asked Hull to be the chairman of the platform committee at the convention. Hull felt that he could actually be more effective if he were free to work behind the scenes. Hull did become a member of the committee however. In the weeks before the convention, former Attorney General A. Mitchell Palmer had come to Washington and he and Hull prepared a

¹Hull, loc. cit. ²Ibid.
complete draft of the platform desired by the group supporting Roosevelt. It contained Hull's international views.

Roosevelt approved the draft himself, and the convention adopted the draft platform of Hull and Palmer, except for a plank which advocated turning over the question of prohibition to the states. The foreign affairs plank read like an echo of Hull's philosophy and a preview of the Good Neighbor policy. It stated:

We advocate a firm foreign policy, including peace with all the world and the settlement of international disputes by arbitration; no interference in the internal affairs of other nations; the sanctity of treaties and the maintenance of good faith and of good will in financial obligations; adherence to the World Court with appending reservations; the Pact of Paris abolishing war as an instrument of national policy, to be made effective by provisions for consultation and conference in case of threatened violations of treaties.1

During the balloting for the candidate, Hull and Daniel Roper went to William McAdoo, chief of the California delegation, and arranged to have that delegation swing its votes to Roosevelt to give the latter the nomination.

Although the platform contained the plank calling for lower tariffs, during the campaign Roosevelt politically was forced to interpret this as reciprocity with some continued protection for farmers and certain industries.2 This pre-

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1Hull, op. cit., p. 153.
viewed one of the problems involved in adopting Hull's tariff policy. To a nation deep in depression, Hull's tariff policy which approached free trade would not be welcome.

Hull's preconvention relations with Roosevelt had been a matter of political agreement rather than personal friendship. This continued to typify their relations and Hull admits that he and President Roosevelt never became close personal friends. But the two were in agreement on many basic issues, and in February, 1933, Roosevelt offered Hull the head cabinet position. According to some, Hull was actually the second choice behind Owen D. Young, but Young was reported to have begged off.¹ If this was true, it could not be attributed to differences in the philosophies of Young and Hull. Anyone familiar with the Young Plan for European recovery would recognize a similarity with Hull's policies of international economic interdependence.

When the job was offered to Hull, he was at first undecided about taking it. Hull feared that the Secretary of State might be a figurehead and do nothing, and yet he felt that Roosevelt would be primarily concerned with domestic

¹"New Cabinet," Newsweek, I (March 4, 1933), 5.
politics and would have little inclination for directing external affairs. Only when he was assured that he would be active in making foreign policy did he give up the prestige of the Senate for the State Department. He finally accepted the job, determined to stay out of domestic politics and to devote all of his attention to establishing his philosophy as the basis for U. S. policy.

Because of Latin America, Hull was very apprehensive about his new job. He was aware of the troubled heritage of United States-Latin relations. The Pan-American Conference had been scheduled to meet in Montevideo in 1932, but it had been delayed because prospects were so dim. Furthermore, Hull faced the prospect of reconciling and implementing his policies in the shadow of the nationalist economic environment of the New Deal. He did not allow these discouraging prospects to deter him and on February 21, 1933, Roosevelt announced that Hull had accepted the appointment.

On April 5, Hull first began his formal contact with Latin America and at the same time repeated his philosophy that a revival of international trade was the best insurance

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2 Ibid., pp. vii-viii.
for good relations among nations. The occasion was his acceptance of the chairmanship of the Pan-American Union.

I have for many years past felt the deepest interest in the establishment of closer cultural and economic ties between the Republics of America, and in cementing the bonds of friendship between them. I have always believed that you can measure the political, social and other standards of a people by the amount of commerce they produce.¹

In this statement Hull previews the fact that he would emphasize increasing the commerce between the U.S. and Latin America. He would also take actions which would result in greater foreign trade for the Latin Americans in general as a basis for improving hemispheric relations.

However, the Latin Americans needed more than words to be convinced that the Good Neighbor policy was real and Hull started at once to convert the words into actions. A border dispute had broken out between Columbia and Peru. The dispute, which centered around Peruvians occupying some Columbian territory, was typical of those hostilities that can so easily spring up in Latin America. The League of Nations was concerned in the dispute, and out of respect for the Monroe Doctrine asked the United States to join with its advisory committee in handling the matter. The U.S. agreed to lay aside its policy of unilateral action in the Western

¹Hull, op. cit., p. 312.
Hemisphere by cooperating in settling the dispute.\footnote{Hull, op. cit., pp. 310-11.} The event itself was small, but it did reflect a new United States approach to actions threatening peace in that the U. S. was willing to cooperate in a multilateral approach to the danger.

Of greater importance to the betterment of relations with Latin America, however, was the Pan-American Conference to be held at Montevideo. As previously mentioned, it had already been delayed once. It was now set for December of 1933. By the summer of that year, a very bad attitude was in evidence towards the conference by many in Latin America and in the United States. In White House conferences between Hull and Roosevelt, the two agreed that prospects were dim. Due to bitter attitudes of Latin Americans towards the United States, there seemed little chance for accomplishment at the proposed conference. However, they both felt that the United States should not take the responsibility for postponing the conference. After due consideration, Hull announced that the United States would favor the December meeting in Montevideo. If the conference were to be postponed again, he felt, the results might be even worse than an unsuccessful conference.\footnote{Tbid., pp. 318-19.}
The Pan-American Conference was all the more important considering the failure of the London Economic Conference in early 1933. That conference had failed to reach agreement on the break down of the walls of economic nationalism. During the conference Roosevelt had allowed his close advisors to make radio broadcasts in which they criticized what was being attempted at the London Conference. Roosevelt also declined to push Congress for the power to negotiate reciprocal trade agreements as Hull wished. The conference was further doomed when Roosevelt allowed Raymond Moley, an advisor, to come to London as a liaison man. Moley then began to meet officials away from the conference and make certain fiscal promises that Roosevelt was forced to reject, namely temporary currency stabilization. This rejection coming in a conference where countries were very hesitant to abandon the tendency toward economic nationalism, literally had the effect of killing the conference.

Hull now became convinced that economic cooperation between countries must grow out of a regional base rather than an international base. He therefore looked at Latin America and the proposed conference at Montevideo as an

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1 Hull, *op. cit.*, p. 251.
opportunity to put his policies of international relations into practice.

In preparation for the conference, the State Department had instructed its Latin American missions to survey the feelings in Latin America to determine the attitude towards the U.S. and the reasons for it. They had reported a wide range of attitudes. The two most widespread fears were those concerning intervention and economic domination. These two items were the very things that Hull himself opposed. His philosophy of foreign relations would not allow these two items to exist, and Hull was in a position now to implement that philosophy and thereby initiate a new era of feelings in Latin America. The investigation also reported dissatisfaction with the tariffs, cultural conflicts, contemptuous attitude of the United States, and some ill feeling and distrust attributed to propaganda from the European press.

With this background in mind it is no wonder that Hull's friends advised him against going to the conference. But Hull felt that if the United States wanted international cooperation, it should start now. The countries of the world, including the United States, were moving more and more toward

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In hope of assuring maximum participation in the conference by all Latin Republics, and in order to show the importance with which the United States viewed the conference, Hull decided to lead the U. S. delegation personally. This had never been done by a Secretary of State before in a conference with the Latin Americans. Roosevelt allowed Hull to pick the delegation that Hull would lead to Montevideo in an effort to insure Hull's control over that delegation. An outstanding delegation was chosen, including: Assistant Secretary Sumner Welles; J. Ruben Clark, former ambassador to Mexico; J. Butler Wright, the minister to Uruguay; Ambassador to Argentina, Alexander Weddell; and Spruille Braden of New York, a businessman with Latin American experience. The very quality and capability of the delegation revealed to the Latin Americans the importance that the United States attached to the Montevideo meeting. As a result, most of the other delegations were also led by chief ministers of foreign affairs.

The Pan-American Conference was to be held in the

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1 Hull, op. cit., pp. 316-7.

2 Ibid., p. 318.

3 Hinton, op. cit., p. 244.
shadow of Roosevelt's uncertain attitude towards international questions. In a statement made in the spring of 1933 at a White House meeting of representatives from various nations discussing international questions, he had indicated that the United States would be willing to abandon economic nationalism. However, at other times his actions in allowing certain New Deal advisors freedom in criticizing the reduction of trade barriers brought doubts. Before its departure for Montevideo, Roosevelt instructed the delegation to break down the barriers that prevented good inter-American relations. But when the time of departure for Montevideo came, the White House released a statement by Roosevelt in which he said that unstable international conditions made it desirable for the United States to forego any discussion of matters pertaining to currency stabilization or trade barriers.

This uncertain attitude of Roosevelt's seemed to affect Hull's policies. He was still determined to apply those convictions which he had always held concerning inter-

1"Exponent of Economic Internationalism," Newsweek, I (May 20, 1933), 4.


3Hinton, loc. cit.
national economics and peace. Hull released the following statement upon the departure of the delegation.

A more substantial step forward in Pan American unity can and, I believe, will be taken at the Montevideo Conference than at all others within two decades. I am speaking of the possibilities of mutual economic national and international planning. While serious impediments do exist, the need and opportunity are far greater than ever before.\(^1\)

The contrast between Roosevelt's pessimism and Hull's determination is clear. Hull was rigid in his philosophy, and intended to make every attempt to implement this philosophy regardless of the outlook.

Also of great concern to Hull was a threat to the peace of the hemisphere and the world. This threat was the Chaco War raging between Paraguay and Bolivia over a territorial dispute.\(^2\) There were five separate peace pacts circulating in Latin America, some signed by most but none by all. Argentina was the chief reservationist. The most important of these pacts were the Kellogg-Briand Pact and the Lamas Anti-war Pact. Hull wished for all to be ratified. The fact that Bolivia and Paraguay had signed none of the pacts was likewise of concern to Hull.\(^3\)

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\(^1\)Hull, op. cit., pp. 319-20.


\(^3\)Hull, op. cit., p. 322.
On the ship to Montevideo, Hull informed the delegation that he planned to visit other delegations upon arrival in Montevideo, before they might visit that of the United States. Most of the delegation disagreed, feeling that the United States should simply receive visitors. But Hull felt this old idea should be changed if the United States was to implement the new policy of friendship. Hull met often and informally with the other delegations which were on the ship en route to Uruguay.

Roosevelt wired Hull several times while Hull was en route and these messages seemed to instruct Hull to avoid any agreements or treaties that would endanger any of the provisions of the Nation Industrial Recovery Act or the Agricultural Adjustment Act. Instead, the president suggested that attempts be made to make a series of bilateral trade treaties since conditions were so unstable. This in effect would put the same limitations on this conference as on the London Economic Conference. Hull feared this program simply because he knew he would have little success taking a large number of trade treaties before the Senate. Instead, Hull informed President Roosevelt that his suggestions would make


2Hull, op. cit., p. 321.
the economic policy too narrow, and that it would be much wiser to keep alive the broad proposals that he had always favored. He defended the latter on the grounds that the United States must certainly intend to reenter world trade at some time and so the delegation should continue towards this long range goal. ¹

Roosevelt replied that he agreed with Hull's long term goals and encouraged him to go ahead with them. But he again mentioned that provisions for temporarily guarding the provisions of the NRA and the AAA would be necessary. To Hull this was liberty enough to pursue the goals he had initially established.

Hull felt that domestic recovery depended on international recovery. The problem was that the United States, including Roosevelt, was at the time more interested in national affairs than international, and many of Hull's colleagues were isolationists. ²

There is further evidence to support the claim that Hull intended to use the Good Neighbor policy as an example for the rest of the world. He stated in his memoirs:

¹Ibid.

In carrying out our policies toward Latin America, it was never my wish to make them exclusively Pan American. I always had the hope that what was accomplished in the New World could be achieved in the Old as well.\(^1\)

However, Hull felt that no success would be realized at Montevideo if there was any action taken to make the resolutions that the conference might adopt apply on a worldwide basis.\(^2\) There was strong League sentiment at the conference with sixteen participants being League members. The Chairman of the conference, a Uruguayan, favored making the conference a regional meeting of the League. The U. S. opposed this but not openly.\(^3\) This corresponded to Hull's desire to avoid any open sign or attempt on the part of the United States to exert pressure on the Latin Americans. He worked to this end behind the scenes by convincing President Gabriel Terra of Uruguay of the advantages of Pan-American settlement of its own problems, and by showing the ineffective record of the League.\(^4\)

When the United States delegation arrived at Montevideo, it was greeted by a hostile press, suspicious and anti-U. S. headlines, and stories suggesting that the United States had selfish purposes and was a big bully. They were

\(^{1}\) Hull, loc. cit. \(^{2}\) Hinton, op. cit., p. 248. 
\(^{3}\) Ibid. \(^{4}\) Ibid., pp. 48-9.
saying in effect, "we have heard of the Good Neighbor policy, and it sounds fine, but we have heard similar talk before."\textsuperscript{1}

Hull called on all delegations first before they could begin calling on the U. S. delegation. The delegations were surprised. They saw that Hull was not as smug and pontifical as Charles Hughes had been.\textsuperscript{2} Hull would tell a delegation that it was as much his duty to call upon them as it was for them to call upon him, and that the people of the United States felt that way too. Hull would then confer for thirty or forty minutes. He attempted to assure them that the U. S. only wanted to cooperate fully with all Latin American countries in promoting the political and economic ideals in which they were all equally and mutually interested.\textsuperscript{3} Hull wanted to convince other delegations that the New Deal meant a new Pan-American policy.

Hull planned to stay in the background where he would be free to function in much the same manner as he had in his years in Congress. There he had learned the use of the "cloakroom," and behind the scenes negotiations as a means of accomplishing desired objectives. He had no intention of

\textsuperscript{1}Hull, op. cit., p. 324.

\textsuperscript{2}"Policy Set Forth by F. D. R.," Nation CXXXVIII (January 10, 1934), 36.

\textsuperscript{3}Hull, op. cit., p. 326.
dominating the conference. Hull wished to reflect the attitude that the United States was just one of a twenty-one-member club, even though he realized that the United States was in a superior position.\footnote{Hinton, \textit{op. cit.}, p. 250.}

Before the United States delegation had left Washington, the Argentine Ambassador had called on Secretary Hull to advise him that it would be absolutely necessary to have the support of the leader of the Argentine delegation, Saavedra Lamas. Hull was well aware of the fact that the conference would not be a success without Argentina's support. That country was the traditional South American leader. It had always aligned against the United States.\footnote{Hull, \textit{op. cit.}, pp. 326-7.} To win Lamas simply meant to support the latter's Anti-war Pact. Hull felt no need of a fight because he agreed with everything in the pact. Also, Argentina and the United States now agreed on questions of intervention, economics, peace, and anti-European philosophy.\footnote{Ibid.} Since they were in agreement on current questions, it simply became important to diminish the hostile feeling that had existed previously.

As soon as Argentina's delegation arrived, Hull advised an aid to call the hotel and inform the Argentine
delegation that Hull was on his way over. He found the Argentine delegation very excited by his sudden and surprising visit. Hull and Lamas met at once and began conversations. Hull didn't come to the point at first, but talked in generalities, assuring Lamas that the United States wanted to implement the Good Neighbor policy and explaining to him what the new policy meant.

Lamas remained very courteous but aloof and even somewhat skeptical. He acted very nervous during all the conversation. Hull attempted to put him more at ease and win his attention by approaching him in a very complimentary manner. He stated that Lamas was recognized as the greatest Latin diplomat and defender of peace. Hull asked his council and help in leading the conference in the right direction.¹

Hull suggested to Lamas that two broad proposals be brought before the conference. The first was a program for economic recovery including the principles which have been previously mentioned. The second was to build peace by encouraging the signing of all peace proposals. Hull suggested that Lamas should introduce a peace proposal as the great defender of peace, and Hull would introduce the economic resolution.² Hull described how Lamas could deliver a ring-

¹Hull, op. cit., pp. 327-8. ²Ibid.
ing speech, and begin a real peace revival. Hull went further to say that Lamas was the logical man as author of the Anti-way Pact which the United States planned to sign.¹ He completed his visit by saying:

Mr. Minister, we want this program to be achieved. We want to support it and we will support it. We want the best man down here to put it forward so that we can give it our support. Now Mr. Minister, if you don't do it, we are going to get the next best man to do it.²

Lamas informed Hull that he would advise him within twenty four hours.

Lamas returned Hull's call the next day, coming to the Parque Hotel where the United States delegation was staying. He announced to Hull that he would agree to offer the peace resolution and support Hull's economic resolution. Hull felt that Lamas was extremely cordial and cooperative on all matters from this time on. Later Hull would help Lamas win the Nobel Peace Prize for Lamas' action.³

These preliminary meetings resulted in the necessary step of uniting the Argentinians with the rest of the countries at the conference to accomplish some work. From the Montevideo Conference on, the United States was willing to

¹Hull, loc. cit.


³Hinton, op. cit., p. 247.
work with Argentina as a coequal in Latin American diplomacy.¹

When the conference finally opened, the tensions of the delegates had been relaxed and there was less animosity in the air than there had been a few days earlier.² In keeping with the policy Hull wished to follow at the conference, none of the United States delegates sought any committee chairmanships. They wanted to avoid pushing the country or themselves forward. Hull felt that the conference would be wrecked if nations tried to obtain narrow or selfish goals. The United States' role became very inconspicuous, leaving the leadership to Argentina.³

One final matter of great concern which had to be settled before the conference could claim great success was the Chaco War. At the time, a League of Nations investigating team was in Uruguay attempting, unsuccessfully, to work out an armistice. Hull felt that the conference should work out a settlement rather than the League. This would be an example of regional solidarity to the rest of the world.

Hull explained that the League had failed to keep the peace and that the world was watching Montevideo to see if they would win or fail.⁴ The war was practically going on within hearing distance.

The president of Uruguay, the conference host, was the key to success. President Terra was much interested in the success of the conference. He felt that what Hull would do would affect its success, and he agreed with Hull in the hope that the conference would get to work and solve the existing problems. As previously mentioned, Uruguay was very pro-League. Through a number of private informal meetings, Hull was able to gain Terra's cooperation in working for a Pan-American settlement of the problem.\(^1\) Terra continued to give full support to Hull's propositions throughout the conference. The two men met privately quite often.

Both Bolivia and Paraguay acted belligerently towards the other at the pre-conference meetings and in effect said to the conference that each would wreck it if the conference did not support its position. Hull's answer to this was to suggest using a tough line by telling the two countries to submit the war to a commission (not necessarily the League) or to be thrown out of the conference.\(^2\)

Negotiations for an armistice were successful. The two countries agreed to a cease fire shortly before Christmas. Although the war broke out again in a short time, the armistice had the effect of reducing the two countries desire

\(^1\)Hinton, op. cit., p. 249. \(^2\)Hull, op. cit., p. 338.
to sustain a total war any further. Hull's role in the actual armistice is clouded because of an unaccountable period of a few hours just before the armistice was agreed on. During this period Hull was missing from the hotel and no one knew where he had gone. Later investigations by his press officer shows that he had been with Terra and a few other foreign ministers, and that Hull himself had drafted the telegrams which brought the armistice.\textsuperscript{1} The willingness of the United States to cooperate in this multilateral action to solve a mutual problem was unprecedented.

During the first plenary meeting, the United States was denounced over and over again for intervention. Even Lamas gave a brief speech. But his speech was not too strongly worded, and when he finished he came to Hull and apologized that he had to say something. Hull understood. Hull's eventual answer to these attacks would be the signing of the non-intervention convention at the close of the conference.

Lamas proposed his peace pact which he and Hull had worked out. Hull seconded the proposal and gave a long speech on the necessity of peace, and encouraged the signing of the previously mentioned peace treaties. Hull then intro-

\textsuperscript{1}Hinton, \textit{op. cit.}, pp. 249-50.
duced his economic resolution. The delegates were startled at its sweeping proposals of tariff reform and economic cooperation. Lamas then proceeded to give a glowing speech in seconding Hull's proposals.¹

The next day, President Roosevelt said in a news conference that the economic resolution was an objective, and if not soon possible to accomplish, perhaps at least bilateral treaties could be arranged. He doubted the success of arriving at a general trade treaty. This did not seem to dampen the spirits at Montevideo as a similar statement by Roosevelt had done at the London Economic Conference. Roosevelt wired Hull to advise him to offer money to Latin countries for the purpose of building airports. But Hull felt that no offer of money was favorable because the Latin attitude was so suspicious that they would look with suspicion on any loans or advance as "dollar diplomacy."²

Hull continued to pursue the same course despite Roosevelt's expressed pessimism. To further satisfy the pro-European bloc, Hull included in his resolution a proposal calling on the American Republics to lower their trade barriers and to invite the other nations of the world to do likewise.³ Hull pressed for lowering trade barriers and

reducing tariffs in accordance with a moderate trade policy. He proposed the familiar philosophy that recovery depended on the restoration of international trade. He stated:

... that the governments of the American Republics should promptly undertake to promote trade among their respective people and other nations, and reduce barriers through the negotiation of comprehensive bilateral reciprocity treaties based on mutual concessions.\(^1\)

Hull felt that all formal positions taken by the conference must show a unanimous front to the world. Issues which might destroy unanimity must be reconciled in the background to avoid an anti-United States outburst on the floor of the conference.

Issues did arise such as those Hull feared. The delegation from Mexico brought up the question of debts to business concerns in the United States. The head of the delegation proposed a seven to ten year moratorium on debts at a three per cent rate. The problem, as Hull explained, was that the debts were not to the U. S. government but to private creditors. Lamas suggested that this question be postponed because of the nature of the debts and lack of time to give to the question.\(^2\) The Haitians also complained to the conference that they did not have control of their

\(^1\)"Policy Set Forth by F. D. R.," op. cit., p. 34.

\(^2\)Hull, op. cit., pp. 335-6.
fiscal affairs. Hull agreed to work out a plan to restore its fiscal control.

Hull did take strong stands when he felt that the United States was being unjustly accused. He would furiously attack accusations against the motives and intentions of the United States. An example was when it was said in a conference that Roosevelt was just a debt collector for international bankers; Hull blasted this as untrue.\footnote{Hinton, op. cit., p. 252.} He appeared before sub-committees on intervention and defined the United States' position as being opposed to intervention. He further declared from the floor of the conference that the United States would not intervene. After this speech, delegates reported to their governments that perhaps the United States did mean its promises.\footnote{Tbid.} One delegate from Columbia said that Hull had erased "... all the causes of complaint, of distress and suspicion which the imperialistic policy of America had managed to awaken ... during the last century."\footnote{Guerrant, op. cit., p. 8.}

As the Montevideo Conference came to a conclusion, the conference, with the U. S. concurring, declared: absolute respect for the sovereignty and common democracy of the American nations; agreement that every act disturbing the...
peace of any American nation affects all of America, and justifies the initiation of consultation; that territorial acquisitions through violence will not be recognized; that all intervention be condemned; that forcible collection of debts is illegal; and that arguments are to be settled by conciliation or full arbitration.¹

The United States' signature of the "Convention on the Rights and Duties of States" could have been nullified by Hull's reservation that the United States would follow international law.² This simply meant that Hull was reserving the right to intervene to protect American lives and property. This didn't actually mean a great deal, because further events were to show that the United States did not intend to intervene in any manner. In 1936, at the Buenos Aires Peace Conference, this final technicality would be ironed out.

In reporting from the Montevideo Conference, one American journalist accurately described what had taken place in Latin American relations.

Secretary Hull's obvious sincerity and simplicity, his genuine kindness . . . have had their effect in

¹"New Era in Pan American Relations," Foreign Affairs, XV (April 1937), 443-54.
²Guerrant, loc. cit.
Montevideo. . . . There was a lot of evidence at the outset that a lot of dynamite was lying around loose which would be exploded against the United States if it tried any domineering and Lord of Creation tactics of the past. No one could possibly accuse Mr. Hull of anything of the kind.1

The first critical decision that the United States had to face concerning the new Latin policy involved Cuba. The Cuban question involved a number of the very characteristics of previous United States policy towards Latin America that had caused friction with the Latin Americans. These were intervention, non-recognition, and the high trade restrictions. The provisions of the Platt Amendment which was created following the Spanish-American War, had given the U. S. the right to intervene in Cuban affairs to keep the government free from external control, and to protect the lives, property, and liberty of the people if the Cuban government proved itself unable to do so.

When Hull became Secretary of State, the situation in Cuba was chaotic. His recent predecessors had followed a non-intervention policy, but the turbulence was growing out of proportion by 1933. This condition was caused by what could best be called civil or guerilla warfare between the president, General Machado, and groups that were trying to remove him from office. The complaint of these latter groups

1"Policy Set Forth by F. D. R.," loc. cit.
was that General Machado was becoming a dictator and not looking after the interests of the people of Cuba. The failure to act on the terrible situation before Hull took office seemed to actually increase the necessity to intervene. The Platt Amendment had been intended as a means to foster democratic government and stability in Cuba, but this had not occurred. Instead, those goals were very remote.

Hull did not plan to intervene in Cuba. He and Roosevelt agreed to send the man that they both agreed was the most capable man to handle the situation in Cuba, Sumner Welles. He felt that it would be much more beneficial to handle the problem in a diplomatic manner with Welles, than using the army to intervene. At a press conference on April 15, 1933, Hull stated his attitude on what should be done:

No consideration . . . has been given to any movement in the nature of intervention. Nothing whatever is going on that would call for the slightest departure from the ordinary relationships and contacts between two separate and sovereign nations.

Hull gave Welles his instructions before the latter left for Cuba in which Hull stated: "You will always bear in mind that the relations between the United States and the

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2Hull, op. cit., p. 313.  
3Ibid.
Cuban government are those existing between sovereign, independent, and equal powers.\textsuperscript{1} The instructions were general. Welles was to bring an end to the terrorism and repression by negotiating a truce. But these actions were to be carried out in the spirit of the prior statement that no threat of intervention would be used.

Welles spent the summer of 1933 trying to arrange a truce in Cuba, but he was unsuccessful. By August, Welles was sure that Machado must go to bring peace to the island. Welles sought Roosevelt's and Hull's public support for his actions. Welles put himself in a precarious position by saying in effect that the United States would intervene and assume the role of the deposer of Machado. This was obviously in violation of Hull's instructions and the administration's will.\textsuperscript{2}

By late August of 1933, Welles gained the support of the Cuban army leaders. They gradually withdrew their support from Machado and the latter decided to take a "leave of absence." The leave amounted to fleeing the country. The day after Machado's departure, Carlos de Cespedes formed a new government. At this point Welles felt his mission was completed and asked to be returned to Washington. Hull and

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\item[1] Hull, loc. cit.
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Roosevelt instructed him to stay as matters were still not settled.

Within one month disorders and attacks again broke out in Cuba. Hull followed his policy of collective security by having frequent conversations with Latin American ambassadors concerning the Cuban situation. This had the effect of reducing the resentment that Latin Americans had held toward the United States's previous policy of unilateral action. Hull continued to stress to these Latin leaders the unwillingness of the United States to intervene.

On September 7, revolting reached such proportion that Cespedes was overthrown. At this point Welles sent Hull a telegram in which he stated that a force should be landed in Havana and other cities of Cuba to return stability to the island. The Cespedes government would be restored and allowed to function, and the American forces could act as a protection for the government until the government could protect itself. Welles further stated that if the situation was explained to the Latin Americans they would not protest the action. 1

Hull immediately went to the White House and told Roosevelt that he opposed any intervention. He expressed the opinion that Welles didn't realize the extent to which

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1Hull, *op. cit.*, pp. 315-16.
the action would incite Latin America. Argentina and Mexico had already informed the United States that they would oppose intervention of any kind in Cuba. Therefore Hull prepared a reply to Welles' message. He stated:

We fully appreciate the various viewpoints set forth in your telegram. However, after mature consideration, the president has decided to send you the following message:

We feel very strongly that any promise, implied or otherwise, relating to what the United States will do under any circumstances is impossible; that it would be regarded as a breach of neutrality, as favoring one faction out of many, as attempting to set up a government which would be regarded by the whole world, and especially throughout Latin America, as a creation and creature of the American government. . . ."1

Ships of the United States Navy did patrol the waters around Cuba however, but no landings took place. Even at Montevideo, Latin American delegates expressed the realization that the United States did have a treaty right to intervene, even if they did oppose it. They respected the United States for not using it.2

From September through January of 1934, the new government of Fulgencio Batista's front man, Grau San Martin, was in office. During this period, Welles' position underwent a complete change and he reported to Hull that he no

1Wood, op. cit., pp. 73-4.
longer favored intervention. Instead he expressed agreement with Hull's position of watchful expectancy. One significant thing about this period was the refusal to recognize the San Martin government. This was the only action that gave Latin Americans any suspicion of United States intentions to interfere. However the position of the United States was that there usually was a waiting period before extending diplomatic recognition to be sure of the stability of a new regime. Hull also justified the delay because recognition might have had the effect of strengthening the Cuban government above its actual support. The same reasoning applied to Hull's decision not to raise the sugar quota for Cuba. He felt that it was needed, but again he did not want San Martin to receive any undeserved praise.

The United States policy became one of withholding recognition until the government could show its stability. This was normal procedure. Since Welles continued to report that the government did not represent the people but was just an unorganized mob, the United States followed its policy of non-recognition. The San Martin government made

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1Wood, op. cit., p. 75.

every attempt to convince Washington that it did represent the people of Cuba, but with no success. Welles seems to have felt that the government would fall due to non-recognition, while Hull wanted the government to prove stability and gain recognition.\(^1\)

San Martin continued in control of the government and actually increased his power through November. Hull maintained the same requirements for recognition but Welles continued to inform Hull that they had not been met. Batista continued to back the government because he felt that the United States was withholding recognition only to prevent embarrassment to Welles. However, after Jefferson Caffrey replaced Welles in December and still no recognition came, Batista began to withdraw his support.\(^2\) In January San Martin resigned. Batista gave his support to the San Martin government’s chief opponent who was a man who had a chance of gaining recognition. This was Carlos Mendieta.

On the return trip from Montevideo, Hull stopped in Havana for an informal meeting. During this brief visit, Hull was impressed by the apparent popularity of the Mendieta regime, and also the feeling of relief that prevailed in Cuba. The latter feeling was an outgrowth of the refusal of

\(^{1}\)Wood, op. cit., p. 82.  \(^{2}\)ibid.
the United States to intervene to establish a new government.\(^1\) This added to the new attitude held towards the United States by the Latins was a part of the Good Neighbor policy.

Hull returned to Washington after the stop in Havana. Two days following his return, after he had conferred with Roosevelt and gained his agreement, Hull wired the embassy in Havana to extend recognition. This was preceded by a meeting between Roosevelt and Latin leaders at the White House in which they conferred on the recognition question.\(^2\) This was in line with the policy Hull had followed during the period of the San Martin government during which he had also conferred with Latin American leaders. This willingness to confer plus the restraint shown towards intervention in Cuba was an important part of the new Latin American policy.

Following the Pan-American Conference at Montevideo and then the establishment of an acceptable government in Cuba, Hull was convinced that the Platt Amendment had to be abrogated in a new treaty with Cuba. Its existence was obviously a glaring exception to the policy of non-intervention whether the United States used it or not. Since non-inter-

\(^1\)Hinton, loc. cit.

\(^2\)Shepardson, op. cit., p. 122.
vention was such an important part of the Good Neighbor policy, any right to intervene was in effect a barrier to full implementation of the new policy. Hull set to work on a new treaty. He had the cooperation of Sumner Welles. The new treaty was signed by the Secretary on May 29, 1934, and ratified by the Senate on June 9. The only right that the United States retained in Cuba from the new treaty was the right to maintain a naval base at Guantanamo Bay. The ratification by the Senate brought on a three day fiesta in Cuba to celebrate.

This policy of the United States towards Cuba involving restraint, multilateral consultation, and the abrogation of the right of intervention, convinced even the most anti-American elements that the new policy described by Hull at Montevideo and in other statements was actually a reality by the end of 1934.¹ Other actions such as the return of control of its own affairs to Haiti, and the withdrawal of Marines from Nicaragua added to this optimism.

Another favorable action in 1934-35 that added to the development of the Good Neighbor policy was the revision of relations with Panama. At Montevideo Hull had conferred with the Panamanian delegates concerning their complaints that their sovereignty was not protected from United States

¹Wood, op. cit., p. 112.
infringement. On the return trip from Montevideo, Hull also visited with Panamanian leaders in Panama. He became convinced that a new treaty was necessary with Panama to improve the relations with that country and Columbia.\footnote{Hull, op. cit., p. 345.} Therefore during 1934, negotiations for a new treaty were carried on. In 1935 a new treaty guaranteeing Panamanian sovereignty was signed. There was opposition to the treaty in the Senate by some, but Hull's influence on his old colleagues was strong enough to bring about the ratification.\footnote{Ibid.}

Therefore in less than two years, the United States had taken no action which the Latin Americans could point to as hostile or aggressive. Instead, all of Hull's actions in directing the affairs of the United States in Latin America had resulted in increased trust in the United States by the Latin Americans.
CHAPTER III

HULL’S ROLE, 1934 - 1937

The point has been stressed that Hull felt economic barriers such as tariffs were the fundamental barrier to harmonious international relations. Since his initial attack on high tariffs and economic nationalism in 1916, Hull had continued to fight for the lowering of trade barriers.

Hull had enjoyed little success in realizing his aim while a member of Congress, but now as Secretary of State he would see his goal achieved. The Trade Agreement Act of 1934, designed to increase the volume of international trade, was the most sought after goal of Hull’s career. He viewed it as the most effective weapon that could be used to preserve peace. He stated in 1934:

"The economic warfare which reached such enormous proportions during the depression years has been in large measure responsible for the alarming disintegration of all international relationships which the world has recently witnessed. . . . Our trade agreement program is a determined effort to promote economic appeasement and security through the expansion of international trade."¹

Hull admitted that the United States had led the way

to the danger that existed in the world by following the policy of high tariff and isolation. Now those tariffs must be reduced if the danger were to be eliminated and good relations restored. Because the United States was such a world economic power, any move to stimulate international trade had to begin with United States leadership. In June of 1935, the United States Chamber of Commerce declared that: "Commercial nations of the world invite sure disaster if a policy of national self-sufficiency in general is pursued. ... all appropriate methods (should) be utilized as fully as possible for the mitigation of existing barriers to trade."¹

Concurrent with the desire for general world peace and recovery, the lowering of trade barriers was a positive step towards formulating the Good Neighbor policy. The great decline in foreign trade affected Latin America just as much as any other area and more than most. Because of the specialized nature and limitations on diversity, the Latin America area depended on a high living standard. In line with Hull's philosophy as described earlier, if the living standard was raised and people became more satisfied

that their interests were not being hurt by the actions of another nation, good feelings should result. This feeling that the United States was no longer following actions injurious to Latin Americans was a significant fact in the development of the Good Neighbor policy. It is obvious then, that commercial revisions with the goals of peace and prosperity would be part of the Good Neighbor policy.

As an illustration of the importance of commercial revision to the Good Neighbor policy, it should be noted that by 1932, the United States' share in the total trade of the Latin American countries had declined thirty one per cent from the average levels of the twenties. When it is realized that the foreign commerce which the Latin countries have with the United States is greater than commerce with each other, the damaging effects are obvious. Any action that could be taken to force this trend in the opposite direction must bring benefit to Latin America. This decline roughly paralleled the total United States trade decline which measured in volume was down fifty two per cent. Measured in value, trade was down thirty two per cent from

1929 levels. The Latin Americans find it necessary to export over one third of their production whereas it is only necessary for the United States to export about ten per cent of its production. All types of Latin American products find demand somewhere.

At the same time, however, it must be realized that supporters of the Trade Act which lowered tariffs hoped that the action would aid the American domestic economy. The United States economy was in bad condition too. There was disagreement in the administration as to methods to be employed to bring recovery. The discussion of Hull's struggle with the economic nationalists of the New Deal will be delayed to a later page.

Some critics say that the effect of tariff revision on the volume of Latin trade is tempered by the fact that many Latin American goods enter the United States on the free list and are not affected by tariffs. But it must be realized that Europe and other areas are also involved in Latin trade. The La Plata area buys much more from the United

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1 "At the Observation Post," *Literary Digest*, CXVII (March 17, 1934), 13.

States than they sell to it. This is only possible if the countries of the La Plata area are able to sell somewhere else, England for example. However, this means that it is necessary for England to be able to export goods to another area, the United States perhaps, in order that it can buy more from the La Plata area than it sells to it. This goes on and on from country to country. Therefore if one country erects barriers, or if all erect barriers, the effect is that commerce is hindered and reduced. For example, England might buy from Argentina but only if England could export something to the United States. The latter's tariff would affect this ability directly. Therefore the Latin Americans have a two fold problem: first, that none of the industrial products needed in Latin America is made there; and second, that what is made there is only needed in industrial countries. Therefore the Latin Americans must rely on foreign trade for prosperity.

In one sense, the monoculture economy of Latin America fits well into the principle of the international division of labor in which each area maximizes its advantages. But a war or depression that hurts foreign trade causes great economic hardship in Latin America. In leading trade

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Smith, *op. cit.*, p. 269.
countries of Latin America such as Cuba, Uruguay, or Venezuela, per-capita trade figures may average from forty five to over one hundred dollars. Any fluctuation then will have a big effect where personal income is but a few hundred dollars a year.

Cuba, Brazil, and Columbia rank first, fifth, and eleventh in that order as suppliers to the United States; and eighty per cent of the import was in a cash crop. This again shows the impact which American trade policies can have on Latin America, and also on their ability to buy from the United States. By 1933, this figure was down to fifty three per cent. More important, the dollar value was one eighth of the previous amount. Likewise, the amount of Cuban sugar crop that the Americans were willing to take declined from eighty to sixty per cent. These very brief figures reflect the effect that economic warfare had on inter-American trade.

It will be recalled that at the Pan-American Conference at Montevideo, Hull had introduced an economic resolution proposing sweeping revisions in international trade, primarily tariff revision. His proposals had been heard

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1 Behrendt, op. cit., p. 15. 2 Auld, op. cit., pp. 44-7. 3 Ibid. 4 Ibid.
enthusiastically and with surprise since it will also be recalled that President Roosevelt had been very pessimistic about economic revisions in his pre-conference statement. Even Roosevelt's statement which followed Hull's introduction of his economic resolution had stated that it contained wonderful ideas but that they were sometimes difficult to obtain. Nevertheless, the conference had been favorably inclined toward revision when Hull stated a desire for such trade treaties.

In view of the stake that the Latins had in foreign trade and the enthusiasm with which they had greeted Hull's Montevideo resolution, it is not difficult to see why any policy or program which set as its goals the reduction of barriers to trade, certainly must be classified as an important part of the Good Neighbor policy. Also it should be repeated that Hull viewed relations with Latin America as a pattern for world wide relations. Hull had stated on the way to Montevideo: "In our own interest we must look to our relations with these countries down here. Among the Americas we may be able to work out a pattern of life which will inspire the whole world to follow. . . ."¹ Hull's biographer,

Harold Hinton, states that the broad outline of Hull's foreign policy was that the United States should take the lead in breaking down excessive trade barriers which cause friction and should reestablish prosperity which would mitigate against war.¹

There had been groups from 1900 on that favored downward tariff revision, primarily the Democratic party. But after World War I, some republicans such as Hoover, and Stimson had also supported modification. However, since the end of the Civil War, tariffs had continued to rise and become protectionist in nature. Hull felt that this trend was due particularly to the manner in which tariffs were set. Congress was very receptive to pressure from business and labor lobbyists. Tariffs were set through vote trading and bending to local interests rather than considering the general economic welfare of the country.

Roosevelt and Hull were not certain how far their economic policy would carry them. Roosevelt was always pessimistic about complete tariff revision for two important reasons: first that he heard so many suggestions from various sources, some of which were quite economically nationalistic; and second, he was very conscious of what revision might

¹Hinton, op. cit., p. 262.
mean in terms of political support. Hull had these problems in the sense that he had to have Roosevelt's support for any program he initiated. Hull's problem was that he had to implement a program that must be passed by Congress, a Congress that was susceptible to the whims of public opinion and pressure. Even though the Congress was controlled by Democrats, they were from areas in which there was little interest in foreign affairs. They hesitated to make departures from traditional policies since their elections in 1932 had come on an anti-Hoover wave in republican areas.1

Hull's program was based on the theory of comparative advantage, each nation producing those things it does best and exporting the surplus for the surplus of another country.2 The resources of the world are not evenly distributed. The result of a nation's attempt to become self sufficient is then a reduction or at best the maintenance of a constant level in the standard of living. Hull felt that high living standards are founded on the interchange of articles economically produced in volume by the application of the previously mentioned division of labor or specialization of production.3

1Hinton, op. cit., p. 264.
3Auld, op. cit., p. 7.
This is true of both individuals and nations. Because of high tariffs, foreign countries are forced to buy from other countries with less efficient production methods, with a resulting decline in the living standard. The Latin American countries were highly specialized. They had a great comparative advantage in tropical items and other agricultural items which are favored by the soil and climate of Latin America. But they must export these to get many items which they need but which they can not produce domestically.

In applying this program, Hull had favored the multilateral agreement approach to tariff revision. However, after the London Economic Conference, he did not believe a wide revision would be possible. In a world in which there were so many controlled economies, such as Russia, Germany, or Italy, a country like the United States could not think of operating on a free trade basis. If it did, it would become a dumping ground for foreign production. Therefore Hull favored bilateral agreements which would insure equal compensation between the countries. Hull hoped that this gradually would lead to multilateral agreements by the inclusion of

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the "most favored nation" clause. Hull's description of
this clause and its effect was: "I won't treat you any worse
than the person I treat the best of all, provided you don't
treat me any worse than the person you treat best of all."2

Naturally Roosevelt had to agree with Hull's program
before it could be enacted. Hull states in his memoirs that
in talks with Roosevelt before the latter's election,
Roosevelt seemed favorable to Hull's tariff proposals and
even approved their inclusion in the 1932 platform. How-
ever as the administration had begun, the economic advisors
around Roosevelt who established the NRA and the AAA began
to abandon the liberal trade methods Hull favored.3 Hull
further stated:

The president, still pursuing the theory of retain-
ing full discretionary authority to fix tariff rates at
any height deemed necessary for the successful opera-
tion of the AAA and NRA, was slow to embrace any liberal
trade proposals at Montevideo. But the success it
achieved among the Latin American countries and in the
press at home made him friendly toward it.4

Hull felt that a regular campaign to gain support for
the tariff program was necessary. Throughout 1933, Hull de-
levered speeches and gave out statements to build support;
he kept close contact with the appropriate influential mem-

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1Hull, op. cit., p. 356. 2Ibid., p. 359.
3Ibid., pp. 352-53. 4Ibid., p. 353.
bers of the Commerce and Treasury Departments and the Tariff Commission.\(^1\)

Hull found it necessary to mold the tariff program and then force the administration in that direction in spite of the New Deal advisors. After Montevideo, Hull found that Roosevelt was somewhat more receptive to the idea of the reciprocal trade program, but Roosevelt still insisted that it be flexible enough to exist with the economic necessities of the NRA which required some planning.

But at the same time when it appeared that Roosevelt was changing his attitude toward tariff revision, he appointed George Peek to head a committee to coordinate foreign trade. Peek had been administrator of the AAA and was an opponent of tariff reduction while favoring a protective embargo. Essentially the only difference which existed between Hull and the protectionist advisors lay in the latter's feelings that the economic breakdown which had taken place was due to deficiencies in the present economic system and a new approach was needed. Hull felt that the system was okay, the problem was that the operators of the system were faulty. The system was not being given enough freedom to operate, freedom from tariff restriction.\(^2\)

\(^1\)Hull, op. cit., p. 353.

New Deal policies were protectionist. The AAA, relief, and the PWA were designed to inflate the economy. To lower tariffs would be inconsistent. Hull recognized the necessity of protection against abuses and unfair competition and felt that they were justified. But he did not feel that protection which works to benefit inefficient operations was justified. Instead it tends to cut down on the actual production of wealth and purchasing power and creates an unstable economy.  

Hull felt that it was a fallacy that imports damage domestic production. All trade should increase. Tariff control is part of national planning, Hull felt, but it is not necessary to keep raising it, it could be lowered. Domestic consumption is only so high and therefore there is a danger that a certain per cent of production can not find consumption without ability to export. For example, if farmers' ability to export is restricted, their ability to buy at home is too. Farmers can not restrict production as industry can. Simple reduction for just national needs is difficult; fifty per cent of cotton, thirty three per cent of tobacco

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1 Bueell, op. cit., p. 19.

2 "Retreat from Economic Nationalism," Nation, CXXXVIII (March 14, 1934), 290.
and twenty per cent of wheat production is all that is needed domestically.\textsuperscript{1}

The United States could not be the world's largest exporter competing with cheap labor all over the world if differences in wage rates were the decisive factor in industry. Superiority of wage costs and efficiency makes the United States able to compete. Hull's attitude on this question of artificial protection is shown in the following statement which he made when told that the California wine makers were jittery over the prospect of a trade agreement with Spain. He stated:

> There are ten million unemployed people in this country, with their families making about thirty odd million, who have a sure enough case of the jitters under the most embargoed high tariff that had ever been enacted, and I think it might be well to cure that case of the jitters before we take up some minor phase. As soon as we get rid of this major case of the jitters we will take up the minor ones.\textsuperscript{2}

Hull began to prevail over Roosevelt's protectionist advisors. The main threat to the trade agreements program, George Peek, continued to attempt barter agreements and continually attempted to interfere with the other government departments which were concerned with foreign trade. At no

\textsuperscript{1}"At the Observation Post," Literary Digest, CXVII (May 12, 1934), 10.

\textsuperscript{2}Hinton, \textit{op. cit.}, p. 283.
point did Roosevelt try to stop this activity, until the month of December of 1934. Peek negotiated a barter deal with Germany after the passage of the trade agreement act. Brazil launched a complaint that the barter agreement was not in the spirit of the new trade act under which Brazil and the United States were then negotiating a treaty. Hull went to extreme care to prepare arguments to give to Roosevelt in opposition to such barter deals. Even after Roosevelt had publically endorsed it, Hull continued to point out that this barter deal was the very type of arrangement that the new tariff and trade policy hoped to eliminate. After long conversations with Hull, Roosevelt withdrew his support from the deal and by the end of the winter, Peek's office as Foreign Trade Coordinator had been eliminated.  

As Hull continued to fight against the opposition to a revised tariff policy, a national magazine stated that after one year of the administration's fight to bring about domestic revival by artificial methods, the president had been won over to the conclusion that permanent domestic recovery depended on the revival of foreign trade. "Won over" explains Hull's role which was constantly one of convincing

1 Hull, op. cit., pp. 373-74.

2 "Retreat from Economic Nationalism," loc. cit.
Roosevelt, the Congress, and those opposed to the liberal trade program. Even after the new trade act became law in the spring of 1934, Hull faced problems as reflected by the actions of George Peek described above, and even from Roosevelt himself. Hull states in his memoirs that by the fall of 1934, Roosevelt had lost much of his pre-election interest in foreign trade due to concern for domestic affairs. In the fall of that year Roosevelt wrote to Hull: "Like most problems with which you and I have been connected during many years, there are two sides to the argument. In pure theory you and I think alike, but every once in awhile we have to modify a principle to meet a hard and disagreeable fact." To Hull this meant the possible modification of his program. But until the war threat became more and more serious in the late thirties, Hull was able to realize the implementation of his policies. The threat of war was one of those "facts" to be faced. Roosevelt was under more political pressure than was Hull. This would be another "fact" that Roosevelt had to be aware of.

As if winning over the president and his advisors was not a large enough task, Hull had to contend with the Con-

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1Hull, op. cit., p. 372.

2Ibid.
gress. The method of determining what tariff concessions would be made and who would be in charge of negotiating trade agreements was the main source of controversy when discussions of the trade bill began early in 1934. The administration felt that flexibility was needed in trade deals. Any alteration which would reduce the president's ability to negotiate freely would reduce the concept of flexibility in the bill.¹

The bill was intended to give positive power to take steps needed to increase the flow of products and in Hull's philosophy, keep the peace. Flexibility had to be insured in the act because in dealing with such a variety of countries and economies, no general program could be applied. There were hostile countries, planned economies, and high protection countries. Each of these must be handled individually, although Hull stressed that no country should be given greater advantages than other countries with whom the United States had agreements. However, the Congress had tended to be jealous of its power over tariffs, susceptible to protectionist pressure, and isolationist.

After returning from Montevideo, Hull began to draft the bill which he desired and which he felt could get through Congress. He met with the newly formed Executive Committee

¹"At the Observation Post," Literary Digest, CXXVII (March 17, 1934), 13.
on Commercial Policy which was made up of representatives of the Treasury, Commerce, Agricultural and State Departments. Also the committee had as members the Chairman of the Tariff Commission, NRA, and AAA. The chairman of the committee was Under Secretary of State, William Phillips. The committee was unanimous that Congress should pass legislation directing the president to enter into reciprocal trade agreements. The ability of the president to enter into these agreements by executive agreement was deemed most necessary because the United States would be dealing with so many countries in which the executive had that power. Without it, the president and the negotiating groups would be seriously limited.

On February 28, Hull met with the president to go over the proposed draft. Roosevelt agreed with it and agreed to submit it to Congress. Most of the opposition to the proposed bill came from the Republican Senators who felt that it robbed the Senate of its power. However, in hearings even the Chairman of the Tariff Commission argued that the bill did not actually give the president enough power in making agreements.

In his appearance before the House Ways and Means

1 Hull, op. cit., p. 354.

Committee on March 8, Hull stated that this was not a radical attempt to deal with the economic situation, but was "... an emergency measure to deal with a dangerous and threatening emergency condition." Hull argued to the isolationists that they didn't need to fear United States involvement in war because of a trade act. He pointed out that there were no wars at the present time and that the trade bill would be a positive step towards peace. It is noteworthy that the only area in which the isolationists were willing to consent to a breach in their isolationist policy was Latin America.

Since most of the domestic fear of the trade act came from those that felt that they would be adversely affected by reduction, Hull spent much time attempting to pacify that fear. He said that even though negotiations for agreements would be handled by a special group who would be free from pressure, it would be wrong to assume that spokesmen for various groups would not be heard and their arguments considered. He also pointed out that negotiators would have a very clear picture of the precise effects different reductions would have on American commerce because the Commerce Department and the Tariff Commission had such studies made.

1 Hull, op. cit., p. 357.
2 Hinton, op. cit., p. 281.
3 Ibid., p. 282.
over the years. The trade act would also protect American exporters from other unfair restrictions besides the tariff, such as separately negotiated quotas with other countries, by having a statement in the agreements to the effect that there would be equality of treatment in all forms. The acts would also contain the previously mentioned and discussed "most favored nation" clause to give American exporters the fullest advantages. Hull argued that this would actually benefit a country with diversified exports, such as the United States, more than one with one speciality because countries with a monoculture would automatically dominate the foreign market anyway because their export would be a speciality in which they excel. The fact that in the early thirties, seventy one per cent of United States imports were from countries which specialized in one product shows that most trade does consist of specialized products. Therefore if something is done to stimulate international trade, those countries which export a wide range of goods will receive the highest portion of the margin of increase.

After three months, the Congress finally passed the Trade Agreements Act largely as a result of Hull's influence.

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1 Hinton, op. cit., p. 284.  
2 Hull, op. cit., p. 369.  
3 Auld, op. cit., p. 9.
Hull was the only high ranking member of the administration with a congressional background. His friendship with the leading congressmen was a help in getting the bill enacted. The president signed the bill on June 12, 1934. The act authorized the president to negotiate, over a three year period, trade agreements with other countries altering United States tariffs by not more than fifty per cent either up or down from present levels. He could not remove any item from the free list nor could he add any to the list. All agreements that would be negotiated would be extended to all countries with which the United States had similar treaties.\(^1\)

The act was extended in 1937.

That Congress should have authorized the Hull trade program at the same time that it was approving measures looking towards quotas and price fixing may seem inconsistent. But it may reflect Hull's great influence in Congress in the midst of this nationalistic economic sentiment. Also as experiment after experiment was adopted and discarded,\(^2\) Hull's program survived and did result in an increase in foreign commerce.\(^3\) In addition, the act did not make any serious

\(^1\)Buell, op. cit., p. 21.

\(^2\)New Deal measures such as AAA, NRA, and PWA.

\(^3\)Buell, op. cit., pp. 21-2.
inroads on early New Deal domestic policies of recovery because the effects were not actually important until late 1935 and 1936, by which time recovery was under way.\textsuperscript{1}

The trade agreements were to be reached primarily through the State Department by a special commission working with units from other administrative departments and the business community. Before negotiations the country with whom negotiations were to be held would be announced, but not the items to be discussed. Hull defended this as more efficient than if all items were listed.\textsuperscript{2} The principle of unconditional most favored nation treatment gave practical expression to the principles laid down at the Montevideo Conference because it encouraged wider application of the liberal agreements to be reached in the bilateral agreements. As will be seen, Latin countries were among the very first to negotiate trade agreements with the United States. They saw the advantage to be accrued by receiving most favored nation treatment which would come as the United States made trade treaties with other countries which were potential markets for Latin American products. In June of 1934, after the trade act was signed, President Alfonso Lopez of

\textsuperscript{1}Charles A. Beard, and George H. E. Smith, \textit{The Old Deal and the New} (New York: Macmillan Company, 1940), p. 239.

\textsuperscript{2}Auld, \textit{op. cit.}, pp. 38-9.
Columbia stated:

The harmony between our democracies and the United States is now unmarred by the slightest lack of confidence. The policy of the "Good Neighbor," pursued loyally and unswervingly by the present government of the United States, has in a year's time fundamentally changed the atmosphere of anxiety or discordance in which our international relations were carried on, threatened for many years by the danger of intervention or the curtailment of the national sovereignty of some of the members of the Pan American Union.¹

This statement was made after a year that had seen restraint in Cuba, an egalitarian spirit at Montevideo, a policy of cooperation in the Chaco War, and the Trade Agreement Act of 1934.

Hull's philosophy of economic recovery also included the policy of not tying debt payment and trade agreements together. He felt that to demand repayment of debt from increased foreign commerce would drain off the money that countries would earn and thereby reduce their use of the income for investment in increased production and imports.²

This was especially true of the debtor nations such as the Latin American states. They were debtors to private United States financial sources, and their ability to pay these sources was tied to their ability to produce and export that

²Auld, op. cit., p. 35.
production. It will be recalled that a cause of Latin hostility towards the United States was the fact that they could get little relief from their debts and that the United States so dominated them economically that they were kept in a depressed condition. The trade act had the effect of giving them the opportunity to increase their output and make payments on their debt.

Hull also opposed any measure which did not recognize the ideal of multilateral trade such as bartering, bilateral balancing, and export bounties. This was because he felt that they prevented the full functioning of trade and recovery. These types of trade deals only had the effect of increasing trade between two countries, and they set limits to the volume. They did not encourage efficiency and the theory of specialization of production. This again was important to the Latin Americans who were in such an advantageous position to produce certain types of products. Without multilateral trade expansion, the Latin Americans were still limited in the total amount of production they could sell.

Foreign trade with Latin America began to rise by the end of 1934. The volume of trade rose by twenty seven per cent; United States imports rose by seventeen while the

1Auld, op. cit., p. 35.
United States exports to Latin America rose forty three per cent. The policy applied to the tropical areas of Latin America was to keep most items either on a low tariff basis or on the free list. Only four countries, Nicaragua, Costa Rica, Argentina and Columbia, showed a decline in sales to the United States.

The largest suppliers in Latin America, Cuba, Brazil, and Columbia were among the first Latin American countries to sign agreements. Because of its desire to sell large amounts of sugar in the United States, Cuba negotiated the first reciprocal trade agreement. Although the Cuban agreement did set up a quota on Cuban sugar of two million tons, the tariff was reduced from one and one half cents a pound to nine tenths of a cent per pound. Tariffs were also reduced on tobacco, rum, and winter vegetables. Cuba reciprocated with reductions on lard, flour, and machinery. During the first fourteen months of this Cuban agreement, trade rose seventy three per cent between the two countries. When it is realized that the reduction in trade with Cuba

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2 Ibid.

3 Auld, op. cit., p. 45.

4 Buell, op. cit., p. 34.

before the trade act could be measured in 817,000 acres of United States farm land being out of production, it is not difficult to see that the effects on the United States economy were not as adverse as some had feared.¹

An agreement went into effect with Brazil on January 1, 1936. It provided that the United States would keep coffee on the free list and give a fifty per cent reduction on other items of importance.² Keeping coffee on the free list in the case of Brazil and other coffee producing countries was in effect a favorable act because many other nations charged a ten cents per pound tariff on coffee imports. The agreement also provided for "most favored nation" treatment on quotas, taxes, and exchange controls in addition to tariffs unless an exception would be made by mutual agreement.³

Within the early months of this agreement trade began to rise. However, further events of world crisis make figures for the late thirties misleading as to the effects of the act.

Columbia and the United States signed their agreement in September of 1935. In the text of the treaty, the Columbians expressed concern for the decline in trade that had

taken place and expressed hope that this would be preserved.\(^1\) Columbia gave reductions of fifty eight per cent on the goods imported from the United States, and the United States in turn gave reductions on certain items plus the agreement to keep coffee free.\(^2\)

Other agreements were also made with Haiti, Honduras, Guatemala, and Nicaragua. They had essentially the same provisions as the ones described above. Certain items were reduced and others kept free, and all agreements contained the "most favored nation" clause.

By the end of 1935, all countries showed economic improvement with the especially notable rise in foreign trade.\(^3\) There was also the accompanying benefit of increased ability to get loans and establish internal fiscal stability.\(^4\) The per cent of trade increase and amount of trade volume was higher with "agreement" countries than "non-agreement" countries; and the United States' imports rose above exports with the result that the balance of trade became more favor-


\(^2\)Auld, op. cit., p. 47.


\(^4\)Ibid.
able to Latin American countries in general, often as high as a ratio of two to one.\(^1\) Comparing 1938 to 1933, Latin Americans were receiving thirty three per cent of the foreign trade of the United States in 1938 as opposed to a previous twenty nine.\(^2\)

European countries tended to keep restrictive trade attitudes towards Latin America in the late thirties.\(^3\) Other countries did enter into trade agreements with the United States, however, with the resulting benefits to Latin America from the "most favored nation" clauses which Hull had insisted upon. Rates on sixty per cent of the goods from the United States to Canada were reduced.\(^4\) France, Czechoslovakia, Belgium, Netherlands, Sweden, and the Swiss all made agreements and by 1938, America was the largest exporter in the world (partially due to arms sales).\(^5\) These agreements generally set up quotas and reduced tariffs and put forty per cent of all United States foreign trade under reciprocal agreements.\(^6\) In most of the trade acts there was

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\(^1\)Auld, op. cit., pp. 62-3.

\(^2\)Behrendt, op. cit., p. 11.


\(^4\)Buell, loc. cit.  \(^5\)Ibid., p. 36.  \(^6\)Ibid.
a provision enabling the contracting parties to embargo arms, gold, or any materials needed in war.\(^1\) Because of their controlled economies, agreements were not reached with dictator countries except Russia.\(^2\)

Within twenty seven months of the Pan-American Conference at Montevideo there were eleven reciprocal agreements of the type proposed by Hull. Hull's desire to solve world commercial problems by lessening economic nationalism brought slow but constant success.\(^3\)

Norman A. Graebner in his study of Secretaries of State in the 20th Century states:

If one judges by the immediacy of results as well as by the nobility of intention, Hull appeared to even greater advantage in his management of relations with the Latin American States. Here his motives were similar to those underlying the reciprocal trade program, for he viewed the "Good Neighbor" policy both as a means of extending the network of trade agreements and a chance to implement Wilsonian ideas. He was aided not only by the president's consistent approval and active support, but also by many other favorable circumstances.\(^4\)

On January 1, 1935, Secretary Hull issued his annual

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\(^3\) Buell, *op. cit.*, p. 38

statement in which he reemphasized the United States' desire to maintain peace, both politically and economically. However, nothing could be pointed to in the past year that would give hope to this end except events in Latin America. There had been the abrogation of the Platt Amendment, the implementation of the Montevideo principles of tariff revision, a new Panamanian treaty, the withdrawal of Marines from Haiti, and even some progress on the Pan-American Highway.\(^1\) There was also the reciprocal trade act just mentioned. But throughout the world events seemed to be moving towards war. Hull had even forecast earlier that if nothing were done to prevent war there would be war by the early forties. In discussing world events from mid 1935 on, Hull stated:

> In this period I could no longer separate them, because they refused to be separated. . . . Our Western Hemisphere could no longer be considered by itself; it had also to be considered in relation to the axis power's intentions here. Our domestic legislation relating to foreign affairs was influenced by the growth of the war threat in Europe.\(^2\)

From this statement it becomes evident that Hull realized the strategic value of Latin America to United States security. If hostile powers were able to capitalize on an unfriendly attitude towards the United States, they would

\(^1\)Hinton, op. cit., p. 277.  \(^2\)Hull, op. cit., pp. 397-98.
possibly find a basis for aggression against the United States in a Latin country. This is probably the reason why it sometimes is said that the Good Neighbor policy sprang from fear of this very thing. However nothing in Hull's earlier statements would indicate that the early actions which constituted the Good Neighbor policy were founded on that fear. Instead, as Hull stated, legislation relating to foreign affairs was influenced in 1935 by fear of a war in Europe. Hull opposed the actions that Congress would take to insulate the United States as being inconsistent with his philosophy of international cooperation. He continued to attempt to influence the Congress to move away from isolation, but with only limited success as we shall see. Congressional action was not completely in accordance with the philosophy of the Good Neighbor, and therefore Hull's attempts to modify the Congress' action constitutes part of his role in the development of that policy.

Unfortunately for Hull's policy, isolationists were in control of Congress and their actions in 1935 and 1936 would not move the world closer to peace. The isolationists felt that their attack on an international program such as Hull's was justified by the fact that the world of 1935

\[1\text{Hinton, loc. cit.}\]
was not what it was supposed to have been after World War I. The world was not "safe for democracy." Hull agreed that the world was not what it was supposed to be but felt that the United States should make an attempt to prevent war. However the isolationists felt that the world was too far gone to save.

Hull stated in his memoirs:

What most advocates of stringent neutrality by legislation forgot, moreover, was that an entirely new situation had entered into world affairs right in their own lifetime. The private citizen, even if he did not wish to run the risk of injury by getting into the fight to help the victim, could at least call the police, and when the police came he could help the officers of the law and certainly would do nothing to impede them. Prior to the first World War there had been no such police for the world. But after the war, there came into being the League of Nations, whose members could act together to thwart an aggressor and help the victim. The type of neutrality that Hull is describing is that which was favored by the seventeenth century writer, Hugo Grotius, who recommended a code for neutral nations to observe. He had not recommended that a country attempt to isolate itself into neutrality, but he expected a country to examine the right and the wrong of a war and to support the nation in the right. This in effect was what the countries at the Pan-American Conference at Montevideo had favored as desirable.

\[1^{1}\text{Hinton, loc. cit.} \quad 2^{2}\text{Hull, op. cit., p. 408.}\]
It was what the Peace Conference at Buenos Aires in 1936 would take steps to insure. By remaining neutral, a country renders the wicked more powerful and the right's cause more difficult. The isolationists argued that even if people favor one side or another, the government must take steps to keep aloof and restrict the rights of citizens in order to prevent incidents.\(^1\) To Hull, to go on record that the United States would stay neutral was defeatist.

Collective internationalists recognized that the safety, economy, and other interests of the United States were tied to the general condition of peace and stability in the world. This had always been part of American policy and was not in conflict with continentalism. It was best expressed in Jefferson's first inaugural address. "Peace, commerce and honest friendship with all nations, entangling alliances with none."\(^2\) The believers in this policy, like Hull, were able to get the United States into the thick of world politics and to outwit those in the United States who wanted this country to mind its own business. They found people willing to support non-political contributions towards peace, but unwilling to cooperate in international political action.\(^3\)

\(^1\) Hinton, \textit{op. cit.}, p. 280.
\(^2\) Beard and Smith, \textit{op. cit.}, pp. 249-52.
\(^3\) Ibid.
Student exchanges, cultural exchanges and similar activities were viewed differently than political activity such as joining the League of Nations.

This philosophy fit well into the framework of the Good Neighbor policy. The Latin Americans were reluctant to get involved in political relations that might result in domination by the United States, but they had shown willingness at Montevideo to support multilateral action to keep peace and friendship. Willingness to consult with each other, the favorable attitude toward the peace resolution, and their action in attempting positive action to end the Chaco War all reflected the fact that the Latin American countries favored action to sustain peace or stop aggression.

The reciprocal trade act had been in accord with the philosophy of collective internationalism in that through mutual agreements, certain desired results could be arrived at.

Unfortunately, the isolationists became very firm in their convictions when the real threat of war became apparent in 1935.

The firmness with which the isolationists became devoted to their beliefs was in large measure increased by the activities of Senator Gerald Nye's investigation of munitions manufacturing. He operated on the theory that the United States was dragged into World War I by international bankers
who wished to protect their loans and by munitions makers
who wanted to sell weapons.\(^1\) The committee gradually broad-
ened its investigation to many questions of United States
involvement in world affairs. The investigation marked a
high point in the stimulation of popular isolationist senti-
ment in America, a suspicion of the conduct of foreign
affairs, and helped lead to inflexible neutrality laws.\(^2\)

Hull felt the committee's view was that if the sale
of munitions and the granting of loans to belligerents could
be prevented, the United States automatically could avoid
war and need not cooperate with countries toward that end.\(^3\)

Hull went further:

The Nye Commission aroused an isolationist sentiment
that was to tie the hands of the administration just
at the very time when our hands should have been free
to place the weight of our influence on the scales where
it would count. . . . It stirred the resentment of
other nations with whom we had no quarrels.\(^4\)

Hull was not opposed to legislation which would guide
the United States' policy in the event of war. The State
Department had begun to study the question of neutrality
and neutral rights before the Nye Commission began. The
State Department wanted a flexible hand in neutrality laws

\(^2\) Ibid.  
\(^3\) Hull, *op. cit.*, p. 399.  
\(^4\) Ibid. p. 404.
as previously mentioned. Hull favored a policy which could allow the United States to affect the outcome of a war or its duration. This had been the policy which the Latins had supported at the Pan-American Conference at Montevideo. If the United States were in a position to consult with other affected nations, some procedure could be worked out to accomplish the above goals.

When the Nye hearings had begun, Argentina protested certain allegations from the committee concerning an Argentine Admiral. Mexico protested a reference to President Abelardo Rodriguez which questioned his character. Other Latin American governments protested charges of bribery involving some of their high officials. Obviously the hearings did nothing to promote the Good Neighbor policy, and as Hull stated:

"It is doubtful that any Congressional Committee has ever had a more unfortunate effect on our foreign relations, unless it be the Senate Foreign Relations Committee considering the Treaty of Versailles."

Throughout the hearing of the Nye Committee, Hull attempted to restrain them. He pointed out the danger of agitating certain countries, especially England and France,

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1 Hull, op. cit., p. 400.  
2 Ibid., p. 401.  
3 Ibid., p. 398.
at this critical time in world relations. He appointed a State Department official to work continually with the committee in an attempt to restrain them. He constantly sent messages to Roosevelt asking him to use his influence, and he and Roosevelt held meetings with the Nye Committee in an attempt to keep them from further diplomatic blunders.\(^1\) By early 1936, Hull was openly issuing criticisms of the Nye investigations as harmful and casting serious doubts on the integrity of the United States government.\(^2\) Nevertheless, the Committee continued its activities for two years. Hull's constant attempts to restrain and even end the investigation served to show the Latin American governments as well as other nations that the administration was not in sympathy with the committee's feelings and policies.

In the spring of 1935, Senator Key Pittman, Chairman of the Foreign Relations Committee, was pushing a bill which contained a mandatory embargo clause in case of the outbreak of hostilities.\(^3\) This mandatory embargo would have a bad effect on the Latin Americans. The Latin Americans do not produce arms and consequently if they are the victims of aggression and war begins, they need to import the weapons

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\(^1\)Hull, op. cit., pp. 400-5. \(^2\)Ibid., p. 404.

\(^3\)Ibid., p. 412.
with which to resist. A mandatory embargo would have the effect of cutting off military supplies. This could be one of those situations Hull feared when good intentions would actually work to the advantage of the aggressor. In Hull's mind, one side would be wrong, the aggressor.

Hull tried to slow down congressional action on this bill during the summer of 1935. He pointed out to the hearings the inflexibility of the bill. He reported that the State Department was working on a bill which would be flexible enough to fight aggression and yet keep the danger of United States involvement at a minimum. He met with Roosevelt to get his support and convince him of the need for flexibility. What if the League took action against an aggressor? How could the United States sit back and do nothing? This would be opposed to the theory of international cooperation and against the philosophy of the Good Neighbor.

By July 20, a bill was completed by the State Department which would have given the president the power to declare embargoes, regulate munitions traffic and regulate foreign vessels in American waters. However it was quickly apparent that the Congress was not willing to give the president that flexible discretion.¹

¹Hull, op. cit., pp. 410-11.
Hull realized that war between Ethiopia and Italy was impending and that some kind of neutrality legislation was needed. He went to Roosevelt early in August and requested that the latter ask Congress to pass a resolution giving Roosevelt the power to apply discretionary embargoes if war were to break out. This attempt to give the president a flexible hand also failed, and on August 20 Senator Pittman introduced his neutrality bill.¹

Hull met with House leaders and they agreed that the Pittman bill would be passed, but Hull was successful in getting the House to attach an amendment which would make the mandatory embargo clause expire in six months.²

The Pittman Resolution was then passed on August 23 and sent to the president. Roosevelt then sent Hull a note asking if it should be signed. Hull replied that he did not favor the resolution, that it restricted the executive's ability to conduct foreign affairs, and that it would not allow the United States to take positive action to stop aggression. However, since the mandatory embargo clause would expire in six months and the bill would have to be revived, it would be best to sign it in the face of the Ethiopian crisis.³

¹Hull, op. cit., p. 412. ²Ibid. ³Ibid., pp. 413-14.
The Neutrality Act of 1935 contained the mandatory embargo act as described, but also established a munitions control board which would regulate and supervise the export of munitions by a registration and licensing system. The act therefore went further than just prescribing action to be taken in the event of war, it attempted to restrict the sales of munitions which many feared would draw the United States into a war.

Latin Americans did not receive the Neutrality Act with enthusiasm. Since they were not exporters nor producers of war materials, and since they opposed treating belligerents equally, the act caused some friction to develop. They feared that it might work to support a potential aggressor in Latin America. At the Buenos Aires Peace Conference in 1936, these disagreements were widely discussed. Hull attempted to pacify the delegates on the question of neutrality as much as he was able in light of congressional attitudes. The discussion of that conference will be taken up later.

As Hull had forecast, the Neutrality Act was changed in February of 1936. The new act gave the president the ability to use more pressure against an aggressor nation. The president was given the power to restrict exports of

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1 Barchard and Loge, *op. cit.*, p. 334.
99 articles of war to any belligerent to the pre-war level. 1 Another very important provision of the new law was that the law did not apply to a Latin Republic engaged in a war with a non-American state. This was a positive step towards giving concessions to the Latin American nations, however it still did not remove their opposition to the neutrality policy of the United States even though the Neutrality Act committed the United States to a promise of alliance with any American state against a foreign foe. 2

As the year 1935 moved towards its conclusion, it still was apparent that the foreign policy of the United States was entering a new phase which would result in a new relationship with Latin America and the world. After 1936, events elsewhere in the world would be consuming much more of Hull's energies as greater immediate dangers had to be dealt with in the Orient and Europe. The first phase of New Deal foreign policy had been simple. It involved continentalism and the United States concentrating on its own affairs and being the Good Neighbor. The period after 1935 would be complex. 3 Latin America would receive less attention, the threat of war and the desire to isolate the United States

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1 Barchard and Loge, op. cit., p. 325.
2 Ibid., p. 329. 3 Beard and Smith, op. cit., p. 244.
attempt to irritate Latin America. The purpose of this

development was to become dominant in Europe, it would certainly

lead to the beginning of a General War. If

Hull were warning the American government that events occurring in the world were

This may be true, but at the same time, Roosevelt and

President, pertinent and effective. I

America is no longer a hope; it is a fact, active,

The policy of the Good Neighbor, made the

Government has become today in the twenty-one Republics.

mon neutron, and of development to the ideals of self

more a greater spirit of mutual understanding, and in all this

modern civilization in the Americas has there existed,

At no time in the four and a half centuries of:

On January 3, 1936, Roosevelt spoke to Congress:

To secure peace and harmony in the Americas.

However, there was still a final step in the develop-

the use of power politics.

cooperation would be necessary tempered by the necessity of

would clash. The ideals of international cooperation and

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ference was proposed for one purpose, to establish a common neutral policy for the Americas. Latin Americans were anxious to see if the United States would adhere to the policy of non-intervention should war break out in Latin America, or whether the United States would place embargoes on belligerents to affect the outcome of the war.\(^1\) The neutrality law passed in 1936 partially answered some of the Latin American's fears as indicated by stating that if the war involved a non-western hemispheric country as one of the belligerents, the United States would not embargo the western hemispheric country. However, what if the war involved two American countries? At Montevideo the Latin American nations affirmed their desire to act collectively to settle conflicts within the hemisphere. No machinery for consultation was set up at that time and the ratification of peace treaties was only suggested. Thus Hull, continuing his "interdependence" philosophy, desired some machinery which would insure common action to keep peace.

On January 30, 1936, Roosevelt sent a letter to all chiefs of state in Latin America to suggest a conference on means to insure peace. Portions of the letter to the Argentine President stated for example:

\(^1\)Barchard, *op. cit.*, p. 332.
... I would therefore deeply appreciate such views as your excellency may care to express to me ... concerning means to keep peace ... These steps, furthermore, would advance the cause of world peace in as much as the agreements which might be reached would supplement and reinforce the efforts of the League of Nations and all other existing peace agencies in seeking to prevent war.¹

Later in a speech celebrating Pan-American Day in 1936, Hull stated:

The forthcoming Inter-American Conference which is to meet at Buenos Aires in accordance with the suggestion made by President Roosevelt to the Presidents of the other American Republics, offers, I believe, a promising opportunity for the American nations to set an example to the world of friendly cooperation and enlightened internationalism.²

These two statements by Hull and Roosevelt reflect the fact that they both were beginning to view Latin American relations in more of a world relations perspective. No longer would the relations with the Latin Americans be separated from the rest of world diplomacy. For this reason it is difficult to trace the further development of the Good Neighbor policy in its relationship to Latin America alone. What is done after 1936, is highly influenced by events in Europe and Asia. The Buenos Aires Conference actually marks

the last phase in the direct development of new relations with Latin America before World War II.

The United States delegation to the Buenos Aires Conference was as follows: Secretary Hull as chairman; Assistant Secretary Wumner Welles; Ambassador to Argentina, Alexander Weddell; Adolf Berle; Alexander Whitney; Charles Fenwick; Michael Doyle; and Mrs. Elise Musser. Hull instructed the delegation in the same manner as he had for the Montevideo Conference. They would visit other delegations first, avoid assuming a dominant role, and act in a spirit of equality and cooperation. At one port of call Hull made the statement:

It is no ordinary occasion that draws together the representatives of the twenty one American Republics at Buenos Aires. . . . We are impelled by the wish to make known and effective the beliefs and desires which we have in common. We are responding to our needs of declaring and carrying forward in unison our common ideals.2

In his welcoming speech to the delegations, President Agustin P. Justo of Argentina echoed the international tone which Hull had set by stating:


2Ibid. p. 5.
In a world divided by hate and animosity, which opens gulfs between countries, the attitudes of the nations of this continent stand out on contrast, for they have come together in a cordial reunion the better to coordinate the life of the American Community in the simple concept of the Good Neighbor.  

In the fall before the conference opened, Roosevelt had decided to attend. His presence would add prestige to the conference and further enforce the importance with which the United States viewed relations with Latin America. It also showed that Roosevelt felt that he had more time for foreign affairs now that recovery was underway, and was just a glimpse of his growing participation in diplomacy.

Roosevelt began his address to the conference:

Members of the American family of nations; on the happy occasion of the convening of this conference, I address you thus, because members of a family need no introduction or formalities when, in pursuance of excellent custom, they meet together for their common good.

Roosevelt further stated to the delegates:

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

1 United States Department of State, op. cit., p. 73.
2 Ibid., p. 77.
3 Ibid., p. 3.
These statements contain the very fundamentals of the Good Neighbor; they can be contrasted with the more ominous attitudes that Roosevelt had displayed before the conference at Montevideo three years earlier. The statements sound much like those made by Secretary Hull as early as 1933, talking about cooperation, equality, and common efforts for peace.

Roosevelt continued to give description to that policy which the United States had now created relative to Latin America. "Three centuries of history sowed the seed which grew into our nations; the fourth saw those nations become equal and free; the fifth century is giving to us a common meeting ground of mutual help and understanding." In conclusion Roosevelt said:

Finally in expressing our faith of the Western World let us affirm: That we maintain and defend the democratic form of constitutional government; That through such government we can more greatly provide a wider distribution of culture, of education, of thought, and of free expression; That through it we can obtain a greater security of life for our citizens and a more equal opportunity for them to prosper; That through it we can best foster commerce and the exchange of art and science between nations; That through it we can avoid the rivalry of armaments, avert hatred, and encourage

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good will and true justice; That through it we offer hope for peace and a more abundant life to the peoples of the whole world.¹

On December 5, Hull addressed the conference for the first time and listed his "Eight Pillars of Peace." They were basically the same principles that he had always followed in diplomacy.

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 people are essential.
3. The consumation 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.
8. Faithful observance of undertakings between nations is the foundation of international order, and rests upon moral law, the highest of all law.²

The agenda for the conference took careful note of these pillars of peace even though it had previously been arranged. It was as follows: Organizations for peace, dis-

¹United States Department of State, op. cit., p. 81.
²Ibid., p. 11.
discussion of possible causes of controversy, methods of preventing it, ratification of peace treaties, and the creation of an Inter-American Court of Justice; Neutrality; Limitation of arms; Juridical problems; Economic problems, tariff and trade; intellectual cooperation.  

These items that were to be discussed reflect what the nations felt were the basis for good relations and peace. They quite closely represent Hull's philosophy and are the ideals of the Good Neighbor.

The first thing on the agenda at Buenos Aires was keeping the peace. The delegates decided to add to existing machinery rather than create new machinery. Means for mediation and arbitration had always existed. Therefore they strengthened them by accepting Hull's resolution that everyone ratify all five existing inter-American peace treaties.  

Both the Gondra Treaty and later arbitration treaties had one fault, no independent nation wishes to agree to any limitation of its sovereignty. Unfortunately for the proponents of peace by treaty, nine countries had failed to ratify all of the five existing treaties and one country had ratified none. 

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1 United States Department of State, *op. cit.*, pp. 7-8.
The conference was able to set up machinery for consultation in the event of a threat to peace, but was only able to encourage joint consideration of mediation and conciliation in a conflict arising in the Americas.\(^1\) However, Hull was defeated in his attempts at neutrality. The conference refused to encourage proposals for action by neutrals to starve out a belligerent deemed guilty of unfriendly acts. The Latin Americans objected to treating belligerents equally because some of them might have a League commitment to enact sanctions.

Hull sympathized with this attitude, but congressional opinion tied his hands from departing from the official United States neutral policy.\(^2\) However the proposal which the United States made included a clause that would have allowed League obligations to be exceptions. But this did not satisfy the Latin American leaders. The fear remained that they would be at a great disadvantage if they became a belligerent because of inability to get arms regardless of the justice of their position.\(^3\) The Latin Americans also stated that no embargoes should include food.

United States proposals for no loans to belligerents

\(^{1}\)Barchard, *op. cit.*, pp. 334-35.

\(^{2}\)Ibid.

\(^{3}\)Ibid., p. 333.
were also defeated because the Latin Americans do not loan money and therefore could only be hurt by this type of policy which might prevent them from getting money.\footnote{Borchard, op. cit., p. 333.} It is difficult to say how Hull felt in the face of these setbacks. He makes no mention of his feelings in his writings. Certainly he wanted a policy which would prevent war by mutual action, but on the other hand Hull's philosophy toward neutralism as discussed earlier was not in accord with the congressional legislation. Therefore he may have been satisfied that the tight measures contained in the congressional attitude were rejected by the Latin Americans even though he desired some common policy.

In a statement issued in response to the refusals to agree with United States policy on certain matters, Hull told the Latin Americans:

We recognize the right of all nations to handle their affairs in any way they choose, and this quite irrespective of the fact that their way may be different from our way or even repugnant to our ideas. But we can not fail to take cognizance of the international aspect of their policies when and to the extent that they may react upon us. I myself am unalterably of the view that a policy leading to war may react upon us. In the face of any situation directly leading to war, can we therefore be other than apprehensive.\footnote{United States Department of State, op. cit., p. 83.}
Positive steps were taken by the delegations, however. The conference did pass a "Convention for the Maintenance, Preservation, and Reestablishment of Peace." All twenty one nations signed it. The convention provided for obligatory consultation and collaboration of the nations in the event of: Menace to the peace of the American Republics from any source; Menace to peace on the continent in event of war or virtual state of war between American states; Menace from an international war outside of America which might threaten the peace of the American Republics.¹

Hull stated:

The twenty one American Republics have by the convention adopted at this conference, coordinated and made effective the existing machinery for the maintenance of peace. Such agreements as the Kellogg Briand Pact have been handicapped by lack of implementation; other agreements have created the initial machinery of peace but have failed to provide ways and means to assure its successful operation.²

Hull stated further at the conference:

In a broad way the program contemplates the mobilization of the public opinion of all the peoples of this hemisphere in the effort to bring their combined moral influence to bear upon the solution of controversies, upon the defense of their common interest in the peace of the continent.³

¹United States Department of State, op. cit., p. 17.
²Ibid., p. 94.
³Ibid., p. 18.
The above statements reflect Hull's disappointment that no common plan of action was established at Buenos Aires, or more specifically a means to bring about action. But from the good will shown, each country felt secure in the fact that there was a common front in opposition to unjust aggression. Hull also reiterates his philosophy of international relations as described in the Introduction to this thesis. He again confirms his belief that the people's desire for war or peace based on their satisfaction with life will be the common fact which will determine what action would be taken.

There were also further protocols against intervention and the recommendation of consultation in case of the threat of intervention. The Good Neighbor was represented by far more than ideas of non-intervention and consultation; non-political resolutions dealing with student exchanges and increased international transportation within the hemisphere were also agreed on.

Under the chairmanship of Sumner Welles, the Committee on Economic Problems passed a resolution calling for equality of treatment in international trade. The passage of the resolution thus showing the strong support that the Latin Americans were willing to give to that phase of Hull's philosophy was another indication of Hull's influence on the Good
Neighbor. The committee reported the fact that the American Republics were convinced that growth of international trade can serve to strengthen the foundations of peace by improving the material welfare and contentment of nations. This committee further stated an attack on tariff barriers and trade restrictions. Commenting on this position Hull further expressed his trade policy:

A thriving community, well adjusted to the resources and talents of each country brings benefits to all. . . . It leads each country to look upon others as helpful counterparts to itself rather than as antagonists. Prosperity and peace are not separate entities.

From this statement can be seen the fact that Hull had not lost his belief in the use of international trade as a stimulant to world peace and had convinced the Latin American countries of the same.

The Buenos Aires Conference neither met the expectations of the pessimists or extreme optimists, instead it dealt realistically with all matters before it concerning the preservation of peace and cordial relations. The conference recognized the dangerous problems that existed in the world and that what they at the conference were doing could only supplement what other nations would agree to do.

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1 United States Department of State, *op. cit.*, pp. 29-30.

to keep peace. As an example, they recognized the relations of the countries with the League and the fact that their actions might be affected by League commitments or sovereign interests. Each nation's sovereignty was recognized along with individual requirements that were peculiar to them.\(^1\)

Although the agreements that were adopted were not exactly what Hull desired, he had recognized both the hinderances which the Latin Americans had and the fact that congressional attitudes restricted his ability to compromise.

In February of 1937, Hull reviewed the accomplishments of the Buenos Aires Conference for New York businessmen.

There was general and emphatic agreement that all countries work toward a system of freer economic interchange, so that the standards of living in the various countries may be gradually raised and the commercial necessities of each country adequately recognized.\(^2\)

Hull was again stressing the fact that economic peace and prosperity would achieve the most cordial international relations.

In the Introduction, the thesis began with a description of the characteristics of the proposed philosophy of Hull and the Good Neighbor. By 1937 the Good Neighbor was

\(^1\)United States Department of State, op. cit., p. 13.

\(^2\)Ibid., p. 112.
an accomplished fact, a new feeling existed in Latin America. This feeling is best described by a Latin American. At Buenos Aires the Brazilian Foreign Minister, Dr. Macedo Soares stated:

Peace in America is a superior state in human civilization, it is one which we begin to call "policy of good neighbors," it is a true and friendly undertaking, it is the continental copossession of the values linked to peace, that is to say, the change from national fraternity to the confraternity of the people.¹

The statement clearly recognizes the idealism of Hull by recognizing the "superior state in human civilization." It is the recognition of Hull's belief that the value of prosperity knows no border, and that cooperation will result in peace.

¹United States Department of State, op. cit., p. 99.
CHAPTER IV

CONCLUSION

In the Introduction the question was raised as to Cordell Hull's role in the development of the Good Neighbor policy. This study seeks to establish certain conclusions concerning the role of Cordell Hull in the development of the Good Neighbor policy. It was also stated that when an observer views the subject of foreign affairs during the administration of Franklin Roosevelt, Hull's role does not seem to stand out in importance. This study has sought to establish certain conclusions concerning these items. The first is that Cordell Hull's role was a significant role. The second is that the reason it has been neglected was that domestic problems overshadowed foreign affairs until after 1936. Except for the formulation of the Good Neighbor policy, no spectacular foreign affairs development occurred to push Cordell Hull into the news until the late thirties. By that time the Good Neighbor had been developed. Therefore little attention has been given to foreign relations in the first four years of the Roosevelt administration. However the very fact that Roosevelt was concentrating his efforts on domestic recovery reflects the fact that Hull was given more freedom in running the State Department.
After 1936, when foreign affairs became more significant, Hull's role became less significant. The depression was lifting and foreign affairs were becoming critical. Others began to dominate the field of foreign affairs as the United States moved toward the war years. Harry Hopkins, Sumner Welles, and even Roosevelt himself tend to play a much larger role.

However, the very characteristics of Hull's Wilsonian philosophy which prevented his effective participation in the power politics of the immediate pre-war years and the war years themselves became the actual foundation on which the Good Neighbor policy was built. Hull found much greater success in applying Wilsonian ideals to Latin America than he did in applying them to Europe and Asia. The ideals of sovereignty, self determination, equality and multilateral consultation could exist in the environment of the Western Hemisphere which was not plagued by the long heritage of international power politics that the rest of the world knew. The early thirties when the Good Neighbor policy was being developed was a period free from international threat and a time when international cooperation was needed to improve domestic conditions. Latin Americans were especially interested in improving relations due to their great reliance on
foreign commerce. Later on in the thirties this environment was altered. There was a European threat and Hull’s role became less effective as he was unable to stem the growth of hostility in Europe and in Asia. However, even during the years of international crisis, Roosevelt tended to leave Latin American affairs to Hull even though he had become more active in foreign affairs himself.¹

The Good Neighbor policy is in one sense simply the enactment of Wilsonian philosophy. It is extremely important to recognize this fact in answering the question which the thesis proposes. Hull was a Wilsonian, the others who were active in foreign affairs were not. Perhaps that is what made the latter more important during the crisis years and Hull less important. Nevertheless, when investigating the line of developments which formulate the Good Neighbor policy into an accomplished fact, the application of Wilsonian principles is seen. These developments were political and diplomatic.

A summary of those diplomatic and political developments which make up the Good Neighbor policy will put Hull’s role in the perspective necessary to reflect his actual role.

It will be recalled that throughout his congressional career, Hull had fought for those economic principles which were a basis of the Good Neighbor policy, namely a reduction of trade barriers. During these years his influence in his party grew. His attempts to move his party towards these principles finally came to fruition in 1932 when the power of the protectionist wing of the party was broken and the Democratic Convention adopted his principles in its platform.\(^1\)

In the years leading up to the nomination of Franklin Roosevelt, Hull had made Roosevelt familiar with the ideas of unrestricted international trade. Roosevelt supported the principles to the extent that he was politically able in the campaign of 1932.\(^2\)

One of Hull's biggest handicaps when he became Secretary of State was the fact that his philosophies of international cooperation found so much competition from the protectionist philosophies of the advisors in Roosevelt's "Brain Trust."\(^3\) Men like Raymond Moley and George Peek took steps which either damaged or endangered Hull's attempts at international cooperation. Examples were Moley's actions at

\(^1\)See page 25.  \(^2\)See pages 25-26.  
\(^3\)See pages 29-30, 70-71.
the London Economic Conference or Peek's barter negotiations in 1934. The protectionist philosophy of the New Deal was not compatible with Hull's philosophy of economic cooperation, and yet Hull survived all of the New Deal advisors, and forced the administration in the direction of measures such as the Reciprocal Trade Act. Roosevelt himself often was pessimistic about Hull's desire for economic measures to improve foreign relations. But Hull's determination to put his policies into action prevailed especially in the early years of the development of the new policy. Roosevelt was willing to let Hull have a free hand in the early years, even though he was pessimistic, simply because he was more concerned about domestic matters. Only when the foreign affairs affected domestic affairs was there any friction. An example would be the exchange of notes prior to and during the Montevideo Conference in which Roosevelt and Hull argued over the question of protecting certain domestic economic programs.\(^1\) Here again Hull prevailed.

Hull was also faced with the isolationist sentiment of Congress. This should not be minimized. Fortunately Hull had a background in Congress, and even though many congressional actions did not always support the ideals of the Good

\(^{1}\)See pages 35-36, 45.
Neighbor policy, such as neutrality laws, nevertheless Hull prevented more inflexible legislation. Hull was able to bring to completion his dream of the reduction of trade barriers with the enactment of the Reciprocal Trade Act. The passage of this act also had to overcome much private opposition to the tariff reduction.

Therefore it is seen that Hull did face much opposition to certain political actions necessary to the building of the Good Neighbor policy from within the United States. New Deal advisors, the Congress, private sources, and even the president himself had to be convinced of the necessity of certain actions. In all of this Hull remained firm in his policies. Perhaps he was able to do this with such success because the others were more occupied with domestic matters. But it still remains a fact that the nationalistic economists and isolationists presented a very real obstacle.

But if the domestic handicaps to the development of the Good Neighbor policy seem great, the hostility of the Latin Americans was a much greater obstacle to overcome and required the most outstanding implementation of Wilsonian principles. The implementation had to be such as to show real sincerity rather than draw suspicion. The single most

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1 See pages 75, 96-98.
important step towards this goal was the United States approach at the Montevideo Conference in 1933.\textsuperscript{1} The importance with which Hull viewed the conference was shown when Hull decided to lead the U.S. delegation to Montevideo. He had set an egalitarian tone by calling on the other delegations before they called on the United States. Hull showed the United States was willing to support the idea of interdependence among nations. The policy of non-intervention was renounced for all practical purposes. The United States had shown itself willing to act in a multilateral manner when Hull cooperated in gaining an armistice in the Chaco War. All of this created great optimism at Montevideo. Even the strongest opponents of the United States, such as Argentina, were won over by Hull's personal diplomacy. The willingness of Hull to exercise restraint in 1933 and 1934 in the face of unrest in Cuba gave actual substance to the promises of Montevideo. Against the advice of Ambassador Welles, Hull followed a policy of non-intervention throughout the crisis period. This policy finally reached its climax when Hull asked for the abrogation of the Platt Amendment which had allowed legal intervention. When this abrogation was coupled with a liberalization of the United

\textsuperscript{1}See pages 35, 37-38.
A significant question related to this study concerns the effect of the Reciprocal Trade Act on the development of the Good Neighbor policy. There is little question that the act was one of the contributing factors to the Good Neighbor policy, but to what degree is difficult to say. One can not help but read Hull's writings and realize that his foreign policy rested fundamentally on the philosophy of unrestricted international economic relations. However, it would be difficult to say exactly what part the act played. The natural economic recovery from depression along with natural economic growth complicates the measurement of the exact economic benefit to Latin America from Hull's trade policy. However, besides the natural economic benefits that do accrue, the psychological effect of the act on the Latin Americans can be added to get a positive contribution to the development of the Good Neighbor policy. Regardless of what the actual economic benefits to the Latin Americans were, the act itself did show the Latins that the United States was interested in making an attempt to help the Latin economy.

The climax to the development of the Good Neighbor policy came at the Buenos Aires Conference. Again Hull followed his policy of establishing an atmosphere of equality
and cooperation. Further importance was attached to the conference by the visit of President Roosevelt who was becoming more active in foreign affairs by late 1936. At this conference Roosevelt's attitude was much more similar to Hull's philosophy after he had viewed the success of Hull's policies in Latin America. Hull attempted to strengthen the friendly understandings of Montevideo into actual machinery of cooperation. He called for the ratification of the peace pacts and the establishment of machinery for consultation in the event of a threat to peace. His "Eight Pillars of Peace" contained the very philosophy of the Good Neighbor. The conference did take the unprecedented step of establishing machinery for consultation when there was a threat to peace.

Hull was not always successful. In the attempts to create a new atmosphere between the United States and Latin America he was not able to go as far as he wished. He failed to achieve the type of neutral policy he desired, but partially because of congressional restriction. He could not convince the Latin Americans to set up mandatory mediation machinery to meet threats to peace. However these are negatives not positives. In other words, what Hull was not able to implement does not detract from the fact that things were done to create a new policy. These things had great acceptance in Latin America and resulted in the building of
a new relationship between the United States and Latin America in a period of slightly less than four years. During these four years, Hull was the symbol of foreign relations in this country. He was in charge. The philosophy of the Good Neighbor was Hull's philosophy, a philosophy which he had implemented with little success in other parts of the world. However, in Latin America Hull's development of the principles of the Good Neighbor was successful.

\[1\] Graebner, op. cit., p. 199.
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