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Notes on Dollar Diplomacy and the Monroe Doctrine, July 17, 1911

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Dollar Diplomacy and the Monroe Doctrine.

The Monroe Doctrine means America for the Americans using both words in a sense as broad as from the Canadian boundary to Cape Horn. It means preserving all America to free American governments of republican form and institutions.

It was evidently of this policy that the distinguished Argentine statesman, Dr. Drago, used these words:--

"The traditional policy of the United States (which) without accentuating superiority or seeking preponderance, condemned the oppression of the nations of this part of the world and the control of their destinies by the great Powers of Europe".

In his message of December 7, 1909, at the beginning of the 2d Session of the 61st Congress, President Taft said:--

"The Pan-American policy of this Government has long been fixed in its principles and remains unchanged. With the changed circumstances of the United States and of the Republics to the south of us, most of which have great natural resources, stable government and progressive ideals, the apprehension which gave rise to the Monroe Doctrine may be said to have nearly disappeared, and neither the doctrine as it exists nor any other doctrine of American policy should be permitted to operate for the perpetuation of irresponsible government, the escape of just obligations, or the insidious allegation of dominating ambitions on the part of the United States.

"Beside the fundamental doctrines of our Pan-American policy there have grown up a realization of political interests, community of institutions and ideals, and a flourishing commerce. All these bonds will be greatly strengthened as time goes on and increased facilities, such as the great bank soon to be established in Latin America, supply the means for building up the colossal intercontinental commerce of the future."

If neither the Monroe Doctrine nor any other doctrine should be permitted to operate for the perpetuation of irresponsible government or the escape of just obligations, then how are governments which are irresponsible and seek to escape their just foreign obligations to be dealt with?

In arriving at the answer to this question it is suggestive to advert to the following words, taken from President Roosevelt's
"All that this country desires is to see the neighboring countries stable, orderly, and prosperous." If a nation shows that it knows how to act with reasonable efficiency and decency in social and political matters, if it keeps order and pays its obligations, it need fear no interference from the United States. Chronic wrong-doing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power.

This is where Secretary Knox's "Dollar Diplomacy" comes in.

The secondary meaning of "Dollar Diplomacy" is the extension of American commerce, the creation of a position for the United States in foreign markets against the day when those markets will be so necessary to the wage-earner, the manufacturer, and the merchant of this country. But it is the primary meaning of "Dollar Diplomacy" which is now referred to; and that meaning may be well inferred from the following words in the address of Secretary Knox before the University of Pennsylvania on June 15, 1910:

"***if this Government can help to upbuild its neighbors and promote the thought that the capital of the more advanced nations of the world would be better employed in assisting the peaceful development of those more backward than in financing wars, it is such a deviation from traditions as the American people will approve!"

If, then, Central American republics such as Nicaragua and Honduras are victims by revolution and reduced to a condition of hopeless despair and financial ruin; if they are unable to meet their foreign obligations; if the United States dislikes to see their customs houses seized by European governments and held for their foreign debts because such process tends to contravene the Monroe Doctrine, can we ask Europe to grin and bear it unless we are prepared
ourselves to take the necessary steps? Viewed at another angle, can we say to such republics, the mass of the population of which are often the unwilling victims of wasteful, ambitious, and cruel tyrannies, "You shall not get help from Europe";-- unless we ourselves are willing to lend a helping hand?

Certainly not. From either view this would be a dog-in-the-manger policy. Moreover, to refuse ourselves to act and yet adhere to the Monroe Doctrine would involve the mad opinion that an ounce of prevention is not worth a pound of cure.

In this way it would seem that American policy in Santo Domingo and Secretary Knox's policy in Nicaragua and Honduras, which has been put squarely before the Senate, is a practical corollary of the Monroe Doctrine operating in Central America and the zone of the Caribbean, where strategic, humanitarian, and commercial considerations make the beneficent activity of the United States most essential and where, moreover, a state of constantly recurring bloodshed makes it incumbent upon a government which is leading the world in peace propaganda to act practically for peace and for the substitution of prosperity and flourishing commerce for revolution and waste.

Let us look back a little over the history of the Monroe Doctrine.