



1911

Dollar Diplomacy and the Monroe Doctrine, 1911

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Recommended Citation

Huntington-Wilson, Francis Mairs, "Dollar Diplomacy and the Monroe Doctrine, 1911" (1911). *Notes, Speeches, Articles, and Addresses*. 17.

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Dollar Diplomacy and the Monroe Doctrine.

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The Monroe Doctrine is and always remain a fundamental policy of the United States. From the time the United States became an independent nation the Department of State, while observing its obligations to European powers, has frankly and consistently encouraged the establishment of popular, free and independent forms of government for the rest of this hemisphere. When the struggle for independence began in the various southern republics American consular representatives were on the ground to watch the progress of events, in order that when it became evident that the movement had the support of an overwhelming majority of the colonists, the Congress of the United States might authorize the dispatch of commercial agents to those countries to make an investigation and report on conditions with a view to recognition. March 8, 1822, the House of Representatives adopted a resolution looking to this end. The recognition of the independence of the countries of Spanish South America immediately followed and on January 27, 1823, the nominations of ministers to these countries were confirmed.

The United States was also the first to recognize the independence of Brazil. Dom Pedro I, first Emperor of that country was a European by birth, interests, and sympathies. In 1831 the Brazilian and Liberal elements revolted against him and the representatives of the European powers tried to prevent his enforced abdication in favor of his American born son, Don Pedro II. To that end they accompanied the abdicating Emperor when he retired to a war ship in Rio Bay, but the United States representative refused to join them and their efforts were unsuccessful.

A few years before this President Monroe had promulgated the doctrine that bears his name, and the Holy Alliance had failed in its efforts to obtain joint

action by all the European powers to restore South American to the Crowns of Spain and Portugal - a failure due to the uncompromising attitude of the United States in favor of the independence of the new republics.

Immediately after the world received notice of this American doctrine, crystallized by the formal promulgation of President Monroe, the United States found itself under the necessity of repeatedly warning European nations in their forcible measures of ~~forceful~~ coercion upon various American states against steps that might have consequence prejudicial to the fundamental interest of the hemisphere. The United States, at the moment of French interference in 1838 in the River Plate and the blockade of Mexican ports, gave unequivocal notice of its caveat in the matter. A similar situation developed which the United States ~~met~~ met in a like manner during the French intervention in Argentina in 1846; in 1842-44 on the Mosquito Coast and in 1845 when France and England combined to intervene in the war between ~~the~~ Uruguay and Argentina. The effect of the formal statement of our interest at this time, (although not accompanied by a demonstration of force) and ^{our} moral condemnation, operated efficaciously to discourage and arrest such interference.

During the civil war, certain countries of Europe were quick to appreciate the possible opportunities offered by the fact that all the energies of this country were engaged in working out this great problem of our history. Then it was the greatest efforts were put forth to regain the ground that had been lost through the consistent enforcement of the principles of the Monroe Doctrine. In 1861, it was ~~recognized~~ ^{removed} that Santo Domingo was about to be brought under a Spanish protectorate or annexed. Our Charge d'Affaires at Madrid was instructed to protest against the assumption or exercise of Spanish authority in Santo Domingo

which Secretary Seward said would be met with a "prompt, persistent, and, if possible, effective resistance,". Although, the domestic situation was such as to prevent the United States from diverting its forces, Spain was finally obliged to relinquish its aggressive policy in this quarter. This set-back did not prevent Spain from continuing her efforts on the Continent of South America. The Chinchas Islands ^{off the Peruvian coast} were seized by a Spanish Fleet in 1864. Our decisive representations at Madrid against this apparent attempt to establish monarchical institutions in ^{the} Americas was followed by our mediation, resulting in a truce of indefinite period, signed at Washington.

In Mexico, during the ten years contest from 1850 to 1860 of the National and Liberal parties against the ~~pro~~-foreign party, the Department threw the weight of its legitimate influence on the side of the former. The ^{nationalists} ~~nationalists~~ had triumphed when the outbreak of the Civil War of the United States gave their opponents an opportunity to land European help on Mexican soil. The reign of Maximilian followed, but the Nationals under Juarez accomplished the withdrawal of the French troops when the celebrated ultimatum from the United States to France made the danger of American military support to the Mexican cause a certainty.

In 1889 a national and popular movement in Brazil, directed rather against his European son-in-law than against the ancient and superannuated Emperor, resulted in the latter's abdication and the establishment of a republican form of government. But European influence continued to intrigue for a return of the Empire, and in

1893-94 the Imperialists took advantage of a neighbor rebellion and turned it into a movement to re-establish the monarchy. With their overwhelming naval forces, and having the sympathy of the European warships in the harbor, the insurgents undertook to establish a blockade which would surely have given them Rio de Janeiro and overthrown the young Republic. American warships, however, insisted that American trade should not be interfered with, and refused their consent to a blockade. The result was the surrender of the ~~revolting~~ ~~flaaxaxaxa~~ revolting fleet and a firm establishment of republican government in Brazil. A

Another interesting instance when the Monroe Doctrine was brought into play was when it was sought to draw certain European governments into the War of 1879 between Chile on the one hand and Peru and Bolivia on the other. At that time Mr. Morton, the Minister of the United States at Paris, took steps to dissuade the Government of France from intervening. Thereupon the United States sent in succession ~~two~~ three special plenipotentiaries, Messrs. Hurlburt, Trescott, and Walker Blaine, to interpose their good offices. These gentlemen, however, were not successful, and indeed it may not be unfair to attribute the unsatisfactory settlement between Peru and Chile, which has left the Tacna-Arica question a running sore for thirty years, to the fact that at that date the United States had no ~~friend~~ trained diplomatic service and was accustomed to sending politicians instead of diplomatists. It can hardly be doubted that with the present diplomatic service of the United States, so large a portion of the personnel of which has had years of training, in such an exigency this Government's good offices would now bear better fruit.

In 1895 the Venezuelan Government was confronted by demands of Great Britain which asserted title over a strip of disputed territory on the frontier separating that Republic and British Guiana, combined with a refusal to have that title investigation^{ed} which was regarded by the United States as an *appropriation* of territory injurious to its interests and a blow at the policy with which this country is identified. This vigorous assertion of the Monroe Doctrine was followed by the submittal of the matter to an arbitral decision which finally settled the question of friction forever.

In 1902, ~~after~~ Great Britain, Germany, and Italy established a blockade of the ports of Venezuela to force that Government to settle the claims of these European powers against it. This blockade was ^{viewed} ~~received~~ with a certain apprehension by the United States as fraught with possible dangerous consequences, such as the eventual seizure of the customs houses of the Republic. The efforts of the United States to draw these powers away from the prosecution of a purpose which might bring them into direct conflict with the Monroe Doctrine ~~was x found x~~ were ~~found~~ crowned with success. The three powers and Venezuela, with the good offices of the United States, agreed to submit their contentions to the consideration of an arbitral tribunal.

In the early days the Republics of South America were so weak that they were likely to fall easy prey to European aggression. The United States was so weak that to have had a powerful European nation lodged upon the South American Continent would have been an actual menace to this country. Now that the United States has a population of about ninety millions and has, if it will only keep it, the third largest navy of the world; and now that South America contains such well established and flourishing Republics, the ground of North American apprehension and the extent of South American inability to protect itself have both greatly diminished.

Here it is interesting to recall the rapid development of some of the States of the South American Continent. Brazil at the present time has an area of 3, 218, 130 sq. miles and a population of ^{Some Seventeen} ~~over seventy~~ millions. She has a total trade of \$393,990,000 which shows a balance in her favor of \$34,610,000. This country is now about to complete her third dreadnaught and has already a fleet of auxilliary cruisers, destroyers and gun boats. With the construction of the naval arsenal she is about to let to contract, Brazil will have an independent naval force of such value as to challenge the most careful attention.

Argentina's commercial position is even more remarkable than that of Brazil. With a population of about 7,000,000, her total commerce amounts to \$646,355,000 and is expected this year even to closely touch the billion mark. The two dreadnaughts now on the ways in American shipyards will be launched in a few

weeks

weeks placing her in possession of a formidable offensive nucleus which will be supported by the large destroyer fleet she is building. Industrially Argentina shows the genius of progress which economists foresee will give her the position in the twentieth century that the United States ~~XXXX~~ occupied in that just ended.

Across the Andes lies Chile with about 5,000,000 inhabitants whose military successes in the past and stability of political institutions have made a place for the Republic in universal history. Chile's foreign trade during 1910 equalled in amount that of Mexico with a balance in her favor in excess of that enjoyed by our southern neighbor. Chile, too, is about to contract for the building of powerful fighting ships of the dreadnaught type and has already given to American firms a contract for several submarines as a part of a fleet which will consist of twenty boats.

So far as South America is concerned the occasions for invoking the Monroe Doctrine have diminished in frequency just as when youth reaches manhood the ^{needs} ~~occasions~~ for action by parent or guardian grow less frequent. On the other hand, as the wealth and great possibilities of South America become better known, the prize becomes more tempting and so when an occasion shall arise the issue may be far more acute than any that has hitherto arisen.

A great deal of space in the periodical press has been given to the colonization policy of Germany in South America which has been interpreted by some to carry with it ulterior political designs on certain undeveloped and highly desirable portions of South American territory. The talk of German advances in Agadir comes to mind in connection with the project of a railroad from Gibraltar to ^{Dakar} ~~Beher~~ and Senegal and the recent completion of a cable under the subsidy of the German Government from Pernambuco, Brazil, to Teneriffe. ^{Dakar} ~~Beher~~ is only 1500 miles from the Brazil coast and Agadir is nearer to Brazil's capital than Guatanamo and is on direct line with the front door of the Panama Canal. German South West Africa lies directly opposite the richest regions of Southern Brazil and many days nearer to the southern temperate region than any point under American control.

To meet such occasion, if it arise, there might possibly be evolved a plan of Pan-American Naval ^{policy} ~~Defensive~~. At any rate, the naval power of the United States must be kept up to the standard of the Monroe Doctrine's political necessities.

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Another interesting instance, and quite recent, of this feeling is the fact that during the Venezuelan Centennial an important function of the program was the placing of a wreath on the statue of Washington in the Plaza Washington, at Caracas.

the Argentine Republic placed upon a bronze tablet on the monument of the great President Sarmiento the message of friendship from the United States which Secretary Knox sent on the occasion of its unveiling in this language:

"The Government and people of the United States of America send greetings to the Government and people of the Argentine Republic on this centennial of the birth of the great President Sarmiento, who founded the schools that gave ordered liberty to his country and assured the peace which has made her material and intellectual development the marvel of the last half century. We, in the United States of America recall and appreciate his broad pan-Americanism and labors in conjunction with our leaders of intellectual thought which contributed so early and efficaciously to establish a genuine mutual understanding and sincere friendship between the countries."

insert # Secretary Knox's Pan-American policy has averted war between Peru and Ecuador; has contributed to the settlement of difficulties between Peru and Bolivia and ^{to the assuagement of} an acrimonious feeling between Bolivia and Argentina; has prevented war between Haiti and Santo Domingo; has brought ^{about the} ~~to~~ arbitration of a bitter boundary dispute between Panama and Costa Rica; has ended a war in Honduras; has brought about arbitration negotiations

of the ancient boundary dispute between Haiti and Santo Domingo; has grappled sturdily with the evil of filibustering; and by its peaceful aims and by doing and expecting justice, has brought about a more solid Pan-American friendship than has ever before existed.

There are said to be some difficulties with Ecuador involving ~~the~~ denials of justice to American interests in the American built railway in that republic and involving also the sanitation of Guayaquil so vital to sanitary conditions in the Canal Zone, and the question of the Galapagos Islands. These Islands are on the route to the Canal and both wise strategy and the spirit of the Monroe Doctrine make it axiomatic that Ecuador do not alienate them to be fortified or made a naval base by any formidable power. Aside from the difficulties of our relations with Ecuador, which it is understood ~~the~~ "dollar diplomacy" is about to tackle, there seems to be *hardly a* ~~a~~ cloud on the horizon of the relations of the United States south of the Isthmus. With the settlement of the Alsop case every flaw was removed from the truly friendly relations the United States should enjoy with the fine and virile Chilean nation.

Conditions in South America being generally good, the posture of affairs north of the Isthmus of Panama should be sharply differentiated. There we have Panama enjoying ~~xxx~~ peace under American protection, and Santo Domingo enjoying uninterrupted peace ever since the arrangement of 1904 whereby the United States lent the helping hand to secure financial regeneration and to take the customs houses out of revolutionary politics.

In Haiti we have a bank of combined American and French, with a share of German, capital and with American control, undertaking the work of ameliorating the financial and industrial condition of Haiti. In Nicaragua and Honduras Secretary Knox is proposing to use American capital to put those unfortunate republics on their feet and, by placing the customs houses beyond the reach of the first ambitious brigand, to establish prosperity, peace and progress in the two republics forming a vast belt across Central America.

In Guatemala and Nicaragua various American interests have been negotiating financial arrangements. The better conditions and credit of those two republics make this possible without any direct relation of the Government of the United States to the security of the customs collections.

This last ^{that} fact is significant as showing ^{the part which} it is necessary for the United States to assume toward the financial rehabilitation of these republics is diminishing rather than increasing. The history of Nicaragua and Honduras is such that to secure anything like fair terms for those republics conventions were signed whereby the United States accepted the invitation to take such measures as it might deem expedient if occasion arose to protect the customs collectors in their functions and whereby the President of the United States is to have the selection of the Receiver-General of Customs in both countries. These and one or two other far from formidable stipulations, together with talk about Wall Street, seem to have been, up to now, the reasons for the delay in the Senate's favorable action upon the conventions in question.

If this application of Dollar Diplomacy -- with the use of capital by diplomacy for broad patriotic and beneficent purposes -- is permitted to these two countries, then Central America and the zone of the Caribbean, the key to the domination of the western hemisphere which is also the front yard of the Panama Canal, may be admitted to have found a solution which will bring peace and open up a vast trade with the Gulf and Southern States of this country, as well as with our Pacific Coast.

As President Roosevelt said in his annual message of December 5, 1905;

"When we announce a policy, such as the Monroe Doctrine, we thereby commit ourselves to the consequences of the policy, and those consequences from time to time alter. It is out of the question to claim a right and yet shirk the responsibility for its exercise. Not only we, but all American Republics who are benefitted by the existence of the Doctrine, must recognize the obligations each nation is under as regards foreign peoples no less than its duty to insist upon its own rights.

"That our rights and interests are deeply concerned in the maintenance of the Doctrine is so clear as hardly to need argument. This is especially true in view of the construction of the Panama Canal. As a mere matter of self-defense we must exercise a close watch over the approaches to this canal; and this means that we must be thoroughly alive to our interests in the Caribbean Sea."

P If an ounce of prevention is worth a pound of cure; if ~~it~~ dollars are better than bullets; if helpfulness is better than indifference; if peace is better than war; if the commerce of our Gulf ports is worth considering; then Secretary Knox seems to have found

the solution of the Central American problem.

Will Senators who abhor Wall Street begrudge permitting a little capital to abandon its work among us for such good work abroad? Do Senators who dread entanglements really believe that a nation the size of the United States could be entangled with Nicaragua or Honduras?