

IX

THE EVOLUTION OF AMERICAN IMPERIAL DIPLOMACY

I. Imperial Purposes and Requirements

From the day on which the republic of the United States was established, its foreign policy has paralleled its economic expansion. "Foreign policies," according to Secretary of State Charles E. Hughes, "are not built upon abstractions. They are the result of practical conceptions of national interest arising from some immediate exigency or standing out vividly in historical perspective. . . . Statesmen who carry the burdens of empire do not for a moment lose sight of imperial purposes and requirements."¹ The imperial purposes and requirements of the United States at the foundation of the republic were those involved in conquering the continent which stretched westward toward the Pacific, and in developing the commerce and the manufacture springing up along the Atlantic. The history of the United States during the first half of the nineteenth century is thus an almost unbroken record of territorial acquisition.

Even before the opening of the nineteenth century there were people like Alexander Hamilton who saw visions of an American empire uniting the United States, Central America and South America into a "great American system, superior to the control of all trans-Atlantic force of influence, and able to dictate the terms of connection between the Old and the New World."² The natural wealth of the Western Hemisphere led

¹ "Annals," v. 111, "Supplement," p. 7.

² "Federalist," no. 11, p. 58.

Washington as early as 1788 to hope that "the United States of America will be able to keep disengaged from the labyrinth of European politics and wars."¹ In his Farewell Address he laid the cornerstone of the foreign policy which the United States followed for over half a century: "The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. . . . It is true policy to steer clear of permanent alliances with any portion of the foreign world; so far, I mean, as we are now at liberty to do it."² In the same way Jefferson laid down the policy of "peace, commerce and honest friendship with all nations, entangling alliances with none."³

The first corollary to this policy of isolation was established in connection with the acquisition of new territory in 1803, when Jefferson, a life-long anti-expansionist on principle, was forced by the growing economic demands of the new nation to purchase the Louisiana tract from the French. This met the demand for new land temporarily. In 1810 Spanish subjects seized Baton Rouge and declared it independent. President Madison believed that Spain was about to sell West Florida. The United States thereupon occupied that section over the protests of Great Britain, and Congress passed, on January 15, 1811, a resolution declaring that "the United States, under the peculiar circumstances of the existing crisis, cannot, without serious inquietude, see any part of the said territory pass into the hands of any foreign power; and that a due regard to their own safety compels them to provide, under certain contingencies, for the temporary occupation of the said territory."⁴ Thus, under the necessity of territorial expansion, American foreign policy laid down the two rules that there was to be (1) no American interference in European affairs and (2) no European interference in American affairs.

¹ Washington, "Writings," v. 9, pp. 398-402.

² *Ibid.*, v. 12, pp. 231-2.

³ Jefferson, "Writings," v. 8, p. 4.

⁴ U. S. "Statutes at Large," v. 3, p. 471. c

2. *The Monroe Doctrine*

At this period, taking advantage of the turmoil following the Napoleonic wars, the Spanish colonies of South America revolted and declared themselves republics. In May, 1822, at the request of President Monroe that the United States recognize the South American colonies as independent states, Congress voted an appropriation to make the recognition effectual. On November 22, 1822, the Holy Alliance of Austria, Russia, Prussia and Great Britain met in Congress at Verona and signed a secret treaty "to put an end to the system of representative governments, in whatever country it may exist in Europe, and to prevent its being introduced in those countries where it is not yet known."¹

Cotton had been enthroned in the South since the invention of the cotton gin in 1792; new cotton lands were in continuous demand; the slave states of the South, already exercising an enormous influence over the Federal Government, were searching for slave states to offset the free states growing up in the north-west, and were already pushing toward Florida and Texas, and thought of acquiring Cuba. The progress of the Holy Alliance would have made this impossible.

Great Britain opposed the plot of the Holy Alliance to restore the Latin-American colonies to Spain, and the British prime minister, Canning, proposed to join the United States in a declaration favouring the independence of the South American republics. Britain's reason for giving up her principle of "legitimacy" in this case was her rapidly increasing trade with Latin America which restoration to Spain would damage. The joint declaration which Canning proposed contained the following pledges: "We aim not at the possession of any portion of them ourselves. . . . We could not see any portion of them transferred to any other power with indifference."²

The chief opponent in President Monroe's cabinet of Canning's proposal was John Quincy Adams, at that time Secretary of State.

¹ Elliot, "American Diplomatic Code," v. 2, p. 179.

² Mahony, "Monroe Doctrine," p. 35.

"The object of Canning," he argued, "appears to have been . . . really or especially against the acquisition to the United States themselves of any part of the Spanish American possessions. . . . By joining with her (Britain), therefore, . . . we give her a substantial and perhaps inconvenient pledge against ourselves, and really obtain nothing in return. . . . Without entering now into the enquiry of the expediency of our annexing Texas or Cuba to our Union, we should at least keep ourselves free to act as emergencies may arise, and not tie ourselves down to any principle which might immediately afterwards be brought to bear against ourselves."¹ Instead of a joint declaration with Great Britain, Adams urged a separate and distinct declaration by the United States.

The situation was further complicated by Russia's claims to the Northwest Territory down to the fifty-first parallel, and the plans of Russian traders to establish a post in what is now California. In July, 1823, Adams informed the Russian ambassador "specially that we should contest the right of Russia to *any* territorial establishment on this continent, and that we should assume distinctly the principle that the American continents are no longer subjects for *any* new European colonial establishments."²

This idea was embodied in President Monroe's message of December 2, 1823, which laid down the principles of what has since been known as the Monroe Doctrine. Monroe's message reaffirmed the policy of "no entangling alliance" by declaring that Europe and America were different and incompatible; it emphasized the fact that Europe's political systems were not to be extended to the Western Hemisphere; and finally it declared that the period of colonization was at an end.

"Our policy, in regard to Europe, which was adopted at an early stage of the wars which have so long agitated that quarter of the globe, nevertheless remains the same, which is, not to interfere in the internal concerns of any of its powers; to consider the government *de facto* as the legitimate government for us. . . .

¹ Adams, "Memoirs," v. 6, pp. 177-8.

² *Ibid.*, p. 163.

But, in regard to these (the American) continents, circumstances are eminently and conspicuously different. It is impossible that the allied powers should extend their political system to any portion of either continent, without endangering our peace and happiness; nor can anyone believe that our Southern Brethren, if left to themselves, would adopt it. . . . The occasion has been judged proper for asserting, as a principle in which the rights and interests of the United States are involved, that the American continents, by the free and independent condition which they have assumed and maintain, are henceforth not to be considered as subjects for future colonization by any European powers."¹

This doctrine left the way open for Americans themselves to colonize the unoccupied sections of the continent, without European rivalry. Madison had already broached the idea that the whole Gulf Stream was American water; Monroe's declaration was aimed at Russian manœuvres in the north-west. Its immediate effect was that in 1824 Russia concluded a treaty with the United States fixing the parallel of 54-40' as the southern limit of Russia's possessions in America. This added a link to the claim of the United States to the Oregon territory contested by Great Britain. The Monroe Doctrine fitted the needs of American territorial expansion.

3. *Early Applications of the Monroe Doctrine*

Among the foreign powers which saw in the Monroe Doctrine a threat to European empire and an indication of American territorial and commercial expansion was France, whose foreign minister, Chateaubriand, declared that the Doctrine "ought to be resisted by all the Powers possessing either territorial or commercial interest in that Hemisphere."² That the United States seriously intended to apply the Monroe Doctrine was made clear two years later. In 1825 it was rumoured that Spain intended to sell Cuba to France. When a French fleet arrived in Cuba the State Department at once declared that the United States would under no circumstances

¹ U. S. "Foreign Relations," 1823, pp. 14-15, 5.

² Hart, "Monroe Doctrine," p. 84.

permit any power other than Spain to hold Cuba or Porto Rico. The French fleet was withdrawn.¹

In the same year the newly emancipated Spanish-American republics called a congress at Panama to which they invited the United States. Henry Clay advocated accepting the invitation, but a storm of opposition was raised by the slaveholding South, which was opposed to the emancipation of Negroes in Cuba and would not tolerate sitting at Panama with the delegates from Haiti and Santo Domingo, whom they considered Negroes. In fact, with the South becoming dominant in national politics, the official policy of the United States was becoming opposed to the policy of the new Spanish-American republics. Whereas these wanted to free Cuba and Porto Rico, which were still Spanish colonies, the United States wanted them to remain in the possession of Spain; for so long as the islands belonged to Spain they could be bought or conquered by the United States, but if they became free their sovereignty would stand in the way of America's expansion.² Eventually President Adams appointed delegates to the all-American conference at Panama, but the opposition of the South served to delay their arrival, and they came too late to a gathering which in the end miscarried.

In 1843, Cuba was again the touchstone of the Monroe Doctrine. The State Department, then under the direction of Daniel Webster, had occasion to reaffirm its determination not to allow the status of Cuba to be changed until such time as the United States should see fit to annex it. When a British fleet was reported on its way to Cuba, Webster stated that "the Spanish Government has long been in possession of the policy and wishes of this Government in regard to Cuba, which have never changed, and has repeatedly been told that the United States would never permit the occupation of that island by British agents or forces upon any pretext whatever; and that in the event of any attempt to wrest it from her, she might securely rely upon the whole naval and military re-

¹ U. S. "Foreign Relations," 1825, p. 855.

² Fish, "American Diplomacy," p. 217.

sources of this country to aid her in preserving or recovering it." ¹

A direct application of the Monroe Doctrine by name to American territorial expansion was made by President Polk in 1845. Polk had been elected on a platform pledged to the annexation of Texas, which had been wrested from Mexico by American slave-holders who had colonized the territory, and to the annexation of Oregon, which was demanded by the settlers in the north-west. In his message to Congress on December 2, Polk, referring to British claims to Oregon, declared: "It is well known to the American people and to all nations, that this government has never interfered with the relations subsisting between other governments. . . . We may claim on this continent a like exemption from European interference. . . . The present is deemed a proper occasion to reiterate and reaffirm the principle avowed by Mr. Monroe, and to state my cordial concurrence in its wisdom and sound policy." ² The annexation of Texas which followed and the Mexican war which it provoked added immense territory to the domain of the slave-holding oligarchy. Polk's interpretation of the Monroe Doctrine, backed up by the force of American arms, rounded out the republic by the addition of Texas, New Mexico and upper California. Later, through negotiation, the Oregon territory was added.

Having pushed their power as far as the Gulf and the Rio Grande, the slave states proceeded to take up the old plan of annexing Cuba. On January 17, 1848, President Polk, in a secret dispatch, authorized R. M. Saunders, the United States Minister to Madrid, to offer Spain \$100,000,000 for Cuba. Spain turned the offer down. ³ From that time until the Civil War the annexation of Cuba was one of the burning political issues. Between 1840 and 1852, American filibusterers devoted to the slave system, aided Cuban uprisings against Spain. President Fillmore issued a proclamation forbidding the organiza-

¹ Crichfield, "American Supremacy," p. 442.

² U. S. "Foreign Relations," 1846, p. 14.

³ Polk, "Diary," v. 3, p. 493.

tion of filibustering expeditions on American soil and ordered the civil, naval, and military authorities at the ports of New York and New Orleans to prevent such expeditions from sailing.¹

The South, however, continued to support filibusterers in Cuba, and when some of them were captured and executed by the Spanish authorities in Cuba, riots broke out against the Spaniards in New Orleans and the Spanish consulate was mobbed. Passion ran so high in the slave-holding states that France and Great Britain ordered their fleets in West Indian waters to repel by force "any adventurers of any nation from landing with hostile intent upon the island of Cuba."²

Though President Fillmore had himself forbidden filibustering, he now (1852) invoked the spirit of the Monroe Doctrine and declared that the United States regarded this naval demonstration as ill-advised.³ In reply, the French minister proposed that if at some future time Spain should part with Cuba, "the possession of that island, or the protectorship of the same, ought not to fall upon any of the great maritime powers of the world." The United States turned this proposal down.⁴

The question of Cuban annexation continued to agitate the country. It was an issue in the presidential campaign of 1852. While the South was agitating for annexation and attempting to create revolts in Cuba, American vessels landing on the island were now and again seized and searched by the Spanish authorities. Claims were filed but the Spanish Government refused reparation. Partly as a threat to bring about a settlement and partly to announce a sharp foreign policy President Pierce in 1854 requested the United States ministers to Spain, Great Britain and France "to compare opinions and to adopt measures for perfect concert of action in aid of the negotiations at Madrid."⁵ These three ministers all came from below the Mason and Dixon line and were intimately connected with the

¹ U. S. Congress, 32:1; "Sen. Ex. Doc." 1, p. 27.

² *Ibid.*, p. 74.

³ Curtis, "Life of Webster," p. 551.

⁴ U. S. Congress, 32:1; "Sen. Ex. Doc." 1, p. 81.

⁵ "American History Leaflets," no. 2, p. 2.

Southern slave-holding autocracy. They met at Ostend and drew up a manifesto which, instead of confining itself to the claims at Madrid, urged the annexation of Cuba.

The United States, they declared in the Ostend Manifesto, ought "to buy Cuba because of its nearness to our coast; because it belonged naturally to that great group of States of which the Union was the providential nursery; because it commanded the mouth of the Mississippi whose immense and annually growing trade must seek that way to the ocean, and because the Union could never enjoy repose, could never be secure, till Cuba was within its boundaries."¹ They also urged that if Spain refused to sell Cuba the United States should wrest it by force of arms.² The Ostend Manifesto was promptly repudiated by the State Department, but the question of Cuban annexation continued to stir the country. It was a feature in the Lincoln-Douglas debates of 1858 and was fought over in Congress the following year.

The outbreak of the Civil War postponed action on the Cuban issue; but in another direction European interference in the Western Hemisphere gave the Lincoln administration an opportunity to assert the Monroe Doctrine once more. Mexico, which had gained its independence from Spain in 1821, was disturbed by a series of revolutionary outbreaks from 1851 to 1859, during which the Mexican Government went into bankruptcy. In 1861 the Mexican Congress voted to defer payment on foreign bonds. France, Great Britain and Spain signed an agreement to collect their debts, and on October 31 their ships seized the customs houses at Vera Cruz and proceeded to collect duties. Eventually Spain and Great Britain withdrew, but Napoleon III, taking advantage of America's preoccupation with the Civil War, decided to set up a Mexican empire which would resist the expansion of the United States toward the south. The Austrian Prince Maximilian was named emperor, and all Seward could do was to protest mildly.³

¹ McMaster, "History of the People of U. S.," v. 8, pp. 185-6.

² Rhodes, "History of U. S.," v. 2, p. 41.

³ Mahony, "Monroe Doctrine," pp. 48-9.

When the Civil War was over, however, Washington was in a position to take more vigorous measures. On April 4, 1864, the House of Representatives passed a resolution that "it does not accord with the policy of the United States to acknowledge any monarchical government erected on the ruins of any republican government in America under the auspices of any European power."¹ The following year more than 100,000 federal troops, released from the war, were massed on the Mexican border, and Secretary of State Seward notified France that "the presence and operations of a French army in Mexico, and its maintenance of an authority there, resting upon force and not the free will of the people of Mexico, is a cause of serious concern to the United States."² On February 12, 1866, the French army was withdrawn; with its support gone, Maximilian was executed, and his empire wiped out.

4. *Commercial Diplomacy*

Until the Civil War the foreign policy of the United States was fundamentally in the service of territorial expansion, and was particularly influenced by the need of the South for more slave territory. The triumph of the North in the Civil War meant the end of the slave power and the rise of a new industrial civilization. The new order did not for the time being need additional territory. There were three thousand miles from coast to coast of vast forest tracts, mineral deposits, and fertile land; there were railroads to be built, factories to be established, and banks to be opened. Manufacturing plants increased at a tremendous rate supplying a growing national market. Toward the last two decades of the nineteenth century American manufacturers had reached the stage where a surplus had been created which could not be disposed of in the home market. By 1880 the foreign commerce of the United States had reached a value of 93 million dollars; by 1898 it had risen to 223 million dollars. The great change of

¹ Moore, "Digest of International Law," v. 6, p. 496.

² U. S. Congress, 39:1; "Sen. Ex. Doc." 6, p. 71.

this period has been well described in a recent circular issued by the Bankers Trust Company of New York:

"In the first century of our national existence, our producers were primarily concerned with meeting the local demand which steadily increased with our enormous growth in population, and were content to leave the foreign markets to the producers of the older countries excepting only those raw materials of which we have always had a surplus. The tremendous development of our manufactures in recent years, however, totally changes the aspect of our trade. We can no longer maintain our conservative attitude of doing business in our own way and on our own terms. The exigencies of foreign trade force us not only to meet the requirements as we find them, but to seek the best methods of stimulating the demand for American products in the markets of South America, Russia and the Orient, if we would more successfully meet the competition of the European producers.

"Our prosperity will be permanent only when a market can be found for all the goods we can produce. . . . In order to keep invested capital employed at the point of most economical production, by finding a market for all it can produce, our manufacturers are compelled to seek constantly greater outlets in foreign trade. . . ."¹

In its need for markets, the United States turned to South America. James G. Blaine, leader of the Republican Party, and political spokesman for the manufacturing classes, described the new commercial policy of the American government as follows: "We seek the conquests of peace. We desire to extend our commerce, and in an especial degree with our friends and neighbors on this continent. . . . While the great powers of Europe are steadily enlarging their colonial domination in Asia and Africa, it is the especial province of this country to improve and expand its trade with the nations of America. No field promises so much. No field has been cultivated so little. Our foreign policy should be an American policy in its broadest and most comprehensive sense,—a policy of peace, of friendship, of commercial enlargement."² As a result of Blaine's efforts—known as the "Big Sister" policy—Congress passed a bill in

¹ Bankers Trust Company, "Our United States," pp. 24-5.

² Blaine, "Letter Accepting Nomination for President," pp. 15-6.

1888 convoking a Pan-American congress. This conference of American states met at Washington in 1889. Blaine, in his capacity as Secretary of State, presided. He did his utmost to secure the commercial supremacy of the United States in Latin America through the formation of a customs union in which "the United States, supplanting Europe, should become the industrial provider of the agricultural nations in Latin America."¹ Blaine and the State Department also sought to open markets for American goods in Spanish America by reciprocity treaties with Brazil, Honduras, Nicaragua, and with Spain for Cuba and Porto Rico.

The results of the first Pan-American congress were slight. The United States was not yet in an economic position to export large enough quantities of goods to capture the South American markets. European countries, particularly Great Britain, had large investments in South America and extensive commercial relations; the United States, being herself dependent on Europe for the capital necessary for the exploitation of its own vast resources, was not yet ready to invest in Latin America. Another obstacle to increasing commerce was the lack of direct communications by land or by sea between the two continents of the western hemisphere. The only permanent result of the conference of 1889 has been the Pan-American conference which meets to this day.

5. *The Dawn of Modern Imperial Diplomacy*

The year 1878 marked a turning point in the history of the world. "From that date the relations between European nations were less affected by questions arising in Europe itself than by the struggle carried on outside of Europe for the possession of colonies and markets."² In that year the Congress of Berlin marked the entrance of Europe on the path of modern economic imperialism; in that same year the United States signed a treaty which passed unnoticed at the time, but which silently foreshadowed America's first step as a modern

¹ Viallate, "Economic Imperialism," p. 29.

² *Ibid.*, p. 19.

imperialistic power. The treaty was with the kingdom of Samoa, below the equator in the southern part of the Pacific. It gave the United States the right to use the harbour of Pago-pago in the island of Tutuila as a naval station. In return the United States promised that "if, unhappily, any differences shall have arisen, or shall hereafter arise, between the Samoan Government and any other Government in amity with the United States, the Government of the latter will employ its good offices for the purpose of adjusting those differences upon a satisfactory and solid foundation."¹ The treaty was used by the State Department to maintain the independence of Samoa and to prevent its control by Germany or Great Britain. This became evident in 1885 when the German consul at Samoa, under pretext of an agreement with King Malietoa, raised the German flag over the royal hut, and the United States protested. The following year the American consul proclaimed a formal American protectorate over Samoa. His act was at once repudiated by the State Department, and under the treaty of 1888 Washington sent a committee to investigate the conflict and to reach an agreement with the German and British consuls.² The situation became so tense by 1889 that American, German, and British warships arrived in Samoan waters and there was talk of war; a clash was avoided only by a hurricane which drove the ships to shelter and the officials to reconsider the issues.³ By the General Act of Berlin, Samoa was made a protectorate of Great Britain, Germany and the United States. Thus, in taking up again its expansion westward, the United States left its own shores, crossed half an ocean and entered into an international agreement which, according to Secretary of State Gresham, was a departure from our "traditional and well-established policy of avoiding entangling alliances with foreign powers in relation to objects remote from this hemisphere."⁴

¹ U. S. Congress, 50:1; "House Ex. Doc." 238, pp. 124-5.

² *Ibid.*, p. 19.

³ Fish, "American Diplomacy," p. 401.

⁴ Beard, "Contemporary American History," p. 203.

The Samoan episode was a minor event in a tremendous imperialist movement which was beginning to take shape in the United States. While the bulk of American industries were still absorbed in exploiting the domestic field, others, such as the sugar interests, were beginning to spread out to Cuba, Porto Rico, and Hawaii. It was this fact which produced a change in American diplomacy. Just as American foreign policy in the first half of the nineteenth century had been accommodated to the need of territorial expansion, and later had become essentially commercial to meet the needs of the rising manufacturing class, it now assumed, in addition, the rôle of assisting American investments in foreign, and particularly tropical, countries. The United States was beginning to reach the point which had driven European countries into the Far East and into Africa. The search for markets and for trade was now supplemented by the search for opportunities to invest capital abroad. Since 1844, when Caleb Cushing was sent to open the doors of trade with China, the Far East had become an important American market. Furthermore, the United States had the largest Pacific coastline in the world. The importance of Hawaii as a source for raw material, in this case sugar, as an uncultivated tropical country where American capital could find investment, and as a stepping stone to a rapidly expanding trade with Asia, was frankly stated by Secretary of State Hamilton Fish as early as 1873.

“There seems to be a strong desire on the part of many persons in the islands, representing large interests and great wealth, to become annexed to the United States. And while there are . . . many and influential persons in this country who question the policy of any insular acquisitions, perhaps even any extension of territorial limits, there are also those of influence and of wise foresight who see a future that must extend the jurisdiction and the limits of this nation, and that will require a resting spot in the mid-ocean, between the Pacific coast and the vast domains of Asia, which are now opening to commerce and Christian civilization.”¹

¹ Fish, *supra*, p. 404.

As the American sugar planters in Hawaiian islands became more and more insistent that the United States take over the islands, the State Department adjusted itself to the tactics required by modern economic imperialism. "Throughout the continent, north and south," Secretary of State Blaine wrote in 1881 in a confidential dispatch to the American minister of Hawaii, "wherever a foothold is found for American enterprise, it is quickly occupied, and this spirit of adventure, which seeks its outlet in the mines of South America and the railroads of Mexico, would not be slow to avail itself of openings of assured and profitable enterprise even in mid-ocean." Having marked Hawaii for its own, the United States at first fell back on the policy of watchful waiting that it had followed in the early part of the nineteenth century toward Cuba and South America. Because of the alleged "priority of our interests" it refused in 1888 to join with France and England in a joint guarantee of the independence of the Hawaiian Government.¹

The revolution engineered by American investors in Hawaii, the assistance rendered by the American minister, and the final annexation of the islands in 1898, has been dealt with in another chapter. As the annexation of Hawaii marked a profound change in American economic development, so the conduct of the American minister marked a corresponding change in foreign policy. It was the beginning of a diplomacy which was to serve the requirements of American investments in foreign countries, as the old diplomacy served the requirements of territorial expansion and of commerce. In the last decade of the nineteenth century American capital was still sunk in the development of domestic industries and in organizing gigantic trusts. Prior to the Spanish-American War, however, an occasion arose for the United States once more to assert the Monroe Doctrine with its implication of the supremacy of the United States in the western hemisphere. Great Britain and Venezuela disputed the boundary line of British Guiana. The

¹ Fish, *supra*, pp. 403-4.

issue involved some 30,000 square miles of territory. Venezuela had offered to submit the question to arbitration, but Great Britain refused. During Cleveland's second administration the State Department urged Great Britain to arbitrate. Finally President Cleveland decided to intervene in the dispute. In 1895 Secretary of State Richard Olney notified Great Britain that . . . "Today the United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition. Why? It is not because of the pure friendship or good will felt for it. It is not simply by reason of its high character as a civilized state, nor because wisdom and justice and equity are the invariable characteristics of the dealings of the United States. It is because in addition to all other grounds, its infinite resources combined with its isolated position render it master of the situation and practically invulnerable against any or all other powers."¹ This militant extension of the Monroe Doctrine was supported in President Cleveland's message to Congress of that year, which declared that the acquisition of territory in the western hemisphere through the arbitrary advance of a boundary line was a violation of the Monroe Doctrine, and asked Congress for an appropriation to finance a commission to decide on the boundary line. It would be the duty of the United States to uphold the findings of this commission, President Cleveland declared, and added: "In making these recommendations I am fully alive to the responsibility incurred and keenly realize all the consequences that may follow."² Congress voted the appropriation, and excitement ran so high in this country and in England that the two nations seemed to be on the point of war. However, before the American boundary commission concluded its investigation, Great Britain agreed to arbitrate the matter.

6. *The Far-Flung Battle Line*

America's emergence as a modern imperialist power became a generally recognized fact with the outbreak of the Spanish-

¹ U. S. "Foreign Relations," 1895, p. 558.

² U. S. "Congressional Record," v. 28, p. 191.

American War, the avowed object of which was the liberation of Cuba from Spanish domination. The interest of the United States in annexing Cuba, it has been pointed out, was as old as the United States. Following the Civil War the chief aim of the State Department in regard to Cuba was the extension of commercial relations with the island and the protection of American interests there. During the Ten Years War from 1868-1878, in which Cuba sought to break away from Spain, the United States threatened to intervene, with the implication of annexing the island.¹ In 1895 Cuba began its final insurrection against Spain, and a bitter struggle followed in which the insurrectionists carried on a guerilla war while the Spaniards herded the population into concentration camps.

In addition to the unbroken interest which the United States had shown toward Cuban annexation for almost a century, American investments in Cuba by 1893 amounted to over \$50,000,000; the trade of the United States with the island had reached a value of \$100,000,000; while American claims amounted to over \$16,000,000.² Consequently the McKinley administration, which took office in 1897, began to negotiate with Spain for a cessation of hostilities.

Spain offered to grant Cuba autonomy, but the insurrectionists insisted on complete independence. On January 13, 1898, a riot took place in Havana as a deliberate demonstration against the plan for autonomy; and the American consul-general advised Washington that a warship might be necessary to protect Americans in Havana. The *Maine* was promptly dispatched and anchored in Havana harbour on January 25. Meantime the Hearst press, which had been carrying on a sensational campaign for war, published a private letter written by the Spanish ambassador at Washington, in which President McKinley was criticised for "keeping on good terms with the jingoes of his party."³ This letter, according to Secretary of State Day, was "surreptitiously if not criminally obtained."⁴

¹ Latané, "U. S. and Latin America," p. 124.

² U. S. "Congressional Record," v. 31, p. 3776.

³ Latané, *supra*, p. 129.

⁴ U. S. "Foreign Relations," 1898, p. 680.

However, it served its purpose; the popular clamour for war increased. On the evening of February 15 the *Maine* blew up in the harbour of Havana, and two officers and 258 men were killed. Although "there was no evidence whatever that any one connected with the exercise of Spanish authority in Cuba had had so much as guilty knowledge of the plans made to destroy the *Maine*"¹ it was assumed that the ship had been blown up by the Spanish, and the demand for war became louder.

Meantime the American Minister at Madrid was discussing the purchase of Cuba by the United States. On March 17, 1898, he wrote to the Secretary of State that "if we have war we must finally occupy and ultimately own the island. If today we could purchase at reasonable price we should avoid the horrors and expense of war."² Spain refused to sell; but in response to an offer by President McKinley for an armistice with the Cuban revolutionists and adjustment through the assistance of the United States, the Spanish government offered to submit the question involved in the explosion of the *Maine* to arbitration, and to leave the pacification of the island to a Cuban parliament.³ Representatives of Germany, Austria-Hungary, France, Great Britain, Italy, and Russia made a formal appeal to President McKinley for peace, and the Pope prevailed upon Spain to suspend hostilities. By this time most of the disputed points between the United States and Spain had been settled; there were no Americans in Cuban prisons; the reconcentrado policy had been stopped; American relief had been admitted on the island; arbitration of the *Maine* incident had been offered; and amnesty had been granted.⁴ Nevertheless, President McKinley submitted the question to Congress on April 11 in a message which practically made no mention of Spain's offer of peace.

The president's message and the debates on it in Congress

¹ Wilson, "History of the American People," v. 5, p. 270.

² U. S. "Foreign Relations," 1898, p. 688.

³ Latané, *supra*, p. 131.

⁴ Fish, "American Diplomacy," p. 415.

showed that the interest of the United States in the fate of Cuba was not entirely humanitarian. Senators pointed out that "for three-fourths of a century this Government has persistently asserted its right to control the ultimate destiny of Cuba."¹ The message advocated "the forcible intervention of the United States as a neutral to stop the war" on the following grounds:

"First. In the cause of humanity and to put an end to the barbarities, bloodshed, starvation, and horrible miseries now existing there. . . . Second. We owe it to our citizens in Cuba to afford them that protection and indemnity for life and property which no government there can or will afford. . . . Third. The right to intervene may be justified by the very serious injury to the commerce, trade, and business of our people and by the wanton destruction of property and devastation of the island. Fourth, and which is of the utmost importance. The present condition of affairs in Cuba is a constant menace to our peace, and entails upon this Government an enormous expense."²

American "trade has suffered," the message said; "the capital invested by our citizens in Cuba has been largely lost."³ What McKinley's real intentions toward "Cuba libre" were, he indicated in the following words:

"Nor from the standpoint of expediency do I think it would be wise or prudent for this Government to recognize at the present time the independence of the so-called Cuban Republic. Such recognition is not necessary in order to enable the United States to intervene and pacify the island. To commit this country now to the recognition of any particular government in Cuba might subject us to embarrassing conditions of international obligation toward the organization so recognized. In case of intervention our conduct would be subject to the approval or disapproval of such government. We would be required to submit to its direction and to assume to it the mere relation of a friendly ally."⁴

On April 19 Congress passed a joint resolution declaring that "the people of the Island of Cuba are, and of right ought to be, free and independent, and that the Government of the

¹ U. S. "Congressional Record," v. 31, p. 3789.

² *Ibid.*, p. 3701.

³ *Idem.*

⁴ *Idem.*

United States hereby recognizes the Republic of Cuba as the true and lawful government of that island," and empowered the President to use the army and navy to carry out the provisions of the resolution. That there were elements in the United States opposed to the annexation of Cuba was indicated by the addition of the Teller amendment which declared that "the United States hereby disclaims any disposition or intention to exercise sovereignty, jurisdiction, or control over said island, except for the pacification thereof, and asserts its determination when that is accomplished to leave the government and control of the island to its people."¹ Two days later President McKinley ordered a blockade of Cuban ports and the war was on. At the same time Commodore George Dewey, in command of the Asiatic squadron at Hongkong, was ordered to proceed to Manila Bay in the Philippine Islands, which belonged to Spain, and to capture or destroy the Spanish fleet there.²

7. America: An Oriental Power

War having been declared to liberate Cuba, what was an American fleet doing in the Philippines? During the autumn of 1897, while humanitarian appeals were being made on Cuba's behalf, Commodore Dewey had approached Assistant Secretary of the Navy Theodore Roosevelt and asked for the command of the Asiatic squadron in expectation of a war with Spain. He obtained the command; on February 25, 1898, almost two months before war was declared, Roosevelt wired Dewey: "Order the squadron to Hongkong. Keep full of coal. In the event of declaration of war Spain, your duty will be to see that the Spanish squadron does not leave the Asiatic coast, and then offensive operations in Philippine Islands."³ The meaning of this secret order and of America's interest in the Philippine Islands did not become clear until, after a brief conflict of four months, in which the United States easily defeated Spain on land and water, a peace treaty was signed at Paris on Decem-

¹ U. S. "Foreign Relations," 1898, p. 761.

² Latané, *supra*, p. 134.

³ Rhodes, "McKinley and Roosevelt Administrations," p. 70.

ber 10, 1898, and ratified by Congress on February 6, 1899.

The Treaty provided for the independence of Cuba, the cession of Porto Rico, Guam, and the Philippines to the United States, and the payment of 20 million dollars by the United States to Spain for the Philippines.¹ The instructions which the American peace commissioners received and the subsequent discussion of the peace treaty revealed that the Philippines were acquired to meet the demands of expanding industry and commerce. Admiral Dewey received at Hongkong on August 13, 1898, the following message from the Navy Department: "The President desires to receive from you any important information you may have of the Philippines; the desirability of the several islands; the character of their population; coal and other mineral deposits; their harbor and commercial advantages, and in a naval and commercial sense which would be most advantageous." Admiral Dewey replied that "Luzon is in all respects the most desirable to retain. Contains most important commercial ports. Manila is farthest north. Produces all of the good tobacco. . . . Possible rich minerals. . . . Subig Bay best harbor for coaling purposes and military. Water deep; land-locked; easily defended. Strategically, command of bay and city of Manila, with arsenal at Cavite, most valuable."² The chief reason for taking the Philippines was not only their own value as sources of raw material, but what is more important, their strategic position for trade with China. The Philippines were to be for the United States what Kiauchow was for Germany and Hongkong for Great Britain: a base for developing America's growing sphere of influence in Manchuria.³ "The ruling motive for accepting the responsibility (of taking over the Philippines) was commercial; given those islands, it was said, our trade with Asia must be large."⁴

¹ MacDonald, "Documentary Source Book of American History," pp. 602-8.

² U. S. Navy Dept., "Annual Report," 1898, v. 2, pp. 122-3. Pettigrew, "Triumphant Plutocracy," p. 320.

³ See Chapter III.

⁴ Viallate, "Economic Imperialism," p. 34. "Annals," v. 13; "Supplement," p. 109.

From 1889 to 1898 the value of American exports to China was \$62,289,980, of which 87 per cent was made up of cotton cloth and refined mineral oil.¹ From 1890 until the outbreak of the Spanish-American War, American exports to China had increased threefold, so that by 1898 our entire volume of trade with that country equalled "that of the whole of continental Europe, outside of Russia."² The value of the Philippines as a base for Chinese trade was thus described by the Secretary of the American Asiatic Association in 1899: "Had we no interests in China, the possession of the Philippines would be meaningless. . . . In December, 1897, it became evident that a situation had been created under which the trade and treaty rights secured by the United States in China might be seriously imperilled. These had already been adversely affected by an agreement made in regard to the Russo-Manchurian Railway, in which it was provided that" Russia pay one-third less duty than other nations. "The existing status had been further threatened by the virtual supremacy of Russia in Manchuria and the Liaotung Peninsula and the consequent danger that the treaty port of Newchwang—more than half of whose imports of cotton textiles come from the United States—might at any time be declared a part of the Russian Empire, and therefore subject to its tariff. In short, the beginnings were only too obvious of a process of alienation of sovereignty under which the whole of the North China might pass under the dominion of the Czar. As it happens that over 80 per cent of all the cotton drills, and over 90 per cent of all the sheetings which the United States exports to China, find their way to the three northern treaty ports of Tientsin, Chefoo, and Newchwang, this was a process to which the manufacturing interests of our country could hardly be indifferent. The first body to take action in regard to the threatening situation in China was the New York Chamber of Commerce," which in February, 1898, "addressed a memorial to the President of the United States in which it was set forth that the trade of the United States with

¹ "Annals," v. 13; "Supplement," p. III.

² Hill, "Greater America," p. 8.

China is rapidly increasing, and is destined with the further opening of that country to assume large proportions, unless arbitrarily debarred by the action of foreign governments."¹

The New York Chamber of Commerce requested President McKinley to take steps "for the preservation and protection of their important interests in that empire." This demand of American business for better facilities for trading with China, including an Open Door policy, led McKinley to include in his instructions to the peace delegation at Paris the following:

"Incidental to our tenure in the Philippines is the commercial opportunity to which American statesmanship cannot be indifferent."

The peace commissioners at Paris wired back to the State Department details about the economic value of the Philippines, especially as a source for sugar, hemp, and tobacco. They urged buying all of the Philippine Islands "to keep out Germany, the great trade rival of . . . United States in next generation."²

8. *Manifest Destiny*

The acquisition of the Philippines, Porto Rico and Guam by the Treaty of Paris and the formal annexation of Hawaii during the war and Samoa in 1900, made the United States a world power. For the first time since its inception as a union of thirteen colonies, it had to face the problem of colonial administration. Before the signing of the treaty, one of the peace commissioners in Paris urged Washington that there is "no place for colonial administration or government of subject people in American system."³ A resolution was introduced into the Senate "that under the Constitution of the United States, no power is given to the Federal Government to acquire

¹ "Annals," v. 13; "Supplement," pp. 148-9.

² U. S. "Foreign Relations," 1898, pp. 925-7.

³ *Ibid.*, p. 935.

territory to be held and governed permanently as colonies.”¹ The resolution failed, the islands were annexed and officially the American government was committed to a policy of imperialism. The profound change which this acquisition heralded raised a great deal of opposition, and was reflected in the arguments of the imperialists and anti-imperialists.

Defenders of the new departure declared expansion was the “manifest destiny” of the United States. “Every expansion of our territory has been in accordance with the irresistible law of growth,” Senator O. H. Platt of Connecticut said in the Senate. “The history of territorial expansion is the history of our nation’s progress and glory. It is a matter to be proud of, not to lament. We should rejoice that Providence has given us the opportunity to extend our influence, our institutions, and our civilization into regions hitherto closed to us, rather than contrive how we can thwart its designs.”² The great popular opposition to imperialism made it necessary for Whitelaw Reid, one of the Paris Peace commissioners and editor of the *New York Tribune*, to tour the country during 1899 in defense of the new acquisitions. He emphasized the importance of the Philippines in the Far East where “lies now the best hope of American commerce. . . . The Pacific Ocean,” Reid stated, “is in our hands now. Practically we own more than half the coast on this side, dominate the rest, and have midway stations in the Sandwich and Aleutian Islands. To extend now the authority of the United States over the great Philippine Archipelago is to fence in the China Sea and secure an almost equally commanding position on the other side of the Pacific—doubling our control of it and of the fabulous trade the Twentieth Century will see it bear. Rightly used, it enables the United States to convert the Pacific Ocean almost into an American lake. . . . Nobody doubts the advantage our dealers have derived in the promotion of trade from controlling political relations and frequent intercourse. There are those who deny that ‘trade follows the flag,’ but

¹ Beard, “Contemporary American History,” p. 216.

² *Idem*.

even they admit that it leaves if the flag does. . . . The trade in the Philippines will be but a drop in the bucket compared to that of China, for which they give us an unapproachable foothold." ¹

Reid described the statesmanship which guided him and his fellow commissioners in Paris as follows: "The statesmanship of the past has been to develop our vast internal resources by the protective policy. The statesmanship of the present and future is to extend our commercial relations and secure markets for our marvellous surplus productions. We are today the most wealthy nation on the face of the globe. The amount of our commerce exceeds that of any of the great powers of the world, being well on to two billion dollars. . . . New York, not London, is to be the money centre of the world."

The dawn of modern American imperialism was described by Robert Hutcheson as follows: "Wish it, vote for it, pray for it as we may, isolation is no longer possible for the United States. We are not as free as in the time of Washington to avoid European complications. Steam and electricity have annihilated space and brought the great nations of the world to elbow and jostle one another like pedestrians on a crowded street. The old eastern question no longer centres at Constantinople, but by the completion of the Trans-Siberian railway has been transferred to Port Arthur. The Muscovite has found the sea just off our western coast and henceforth we must reckon with him. The eagle and the bear are face to face. . . . The feeble governments and low civilization of Central America must in time disappear. With the completion of an isthmian waterway we will be brought in more immediate contact with those people, . . . and ought to have more to say about their future destiny than any other power." ² John Hay, then Secretary of State, also saw the dawn of a new age. "The 'debtor nation,'" he declared, "has become the chief creditor nation. The financial centre of the world, which required thou-

¹ Reid, "Problems of Expansion," pp. 41-2, 191-2.

² Hutcheson, "Expansion, the Traditional Policy of the U. S.," p. 19.

sands of years to journey from the Euphrates to the Thames and the Seine, seems passing to the Hudson between daybreak and dark.”¹

9. *The Open Door Doctrine*

The Philippines, Porto Rico and Guam were outright possessions obtained by conquest, a mode of imperialist acquisition which began to go out of existence at the end of the nineteenth century. Hawaii had been obtained by fomenting a revolution. Having embarked on a policy of imperial expansion the United States developed a series of policies in the Far East and in Latin America, where the chief interests of its ever-growing foreign trade and investment lay, which in essence was the European policy of “spheres of influence” and protectorates.

It was America's sphere of influence in Manchuria which gave rise to the Open Door doctrine.² In his instructions to the Peace Commissioners at Paris drawing up a treaty with Spain, President McKinley had already stated that “we seek no advantages in the Orient not common to all. Asking the open door for ourselves we are ready to accord the open door to others.” The division of China into spheres of influence provoked the note which John Hay sent in September, 1899, calling for an open door to Chinese markets. The origin and application of the Open Door doctrine has been described by Secretary of State Knox thus: “Following the lease in 1898 and 1899 of various portions of Chinese territory to Germany, Russia, France, and Great Britain, with exchanges of notes in which these Powers, together with Japan, were recognized each as having special interests within certain provinces of the Chinese Empire, the United States secured from each of these Powers a declaration giving assurance of equality of treatment within these so-called ‘spheres of interest’ for nationals of all the Powers; and, preliminary to the settlement of the Boxer trou-

¹ U. S. “Congressional Record,” v. 35, p. 2201.

² See Chapter III.

bles, the United States again addressed the interested Powers, securing their assent to the principle of the preservation of Chinese territorial and administrative entity and equality of commercial opportunity. It was especially to safeguard these principles that the United States Government interested itself so actively in the question of municipal government at Harbin in Manchuria, in that of the working of mines along the Mukden-Antung Railway, in the proposed constructions of the Chinchou-Aigun Railway, and made the proposal to neutralize the railways of Manchuria, and sought for American capital a participation in the loan for the Hukuang Railways."¹ On the basis of this policy, the State Department has actively cooperated with American bankers to obtain concessions both in the Near East and the Far East.²

The Philippines continue to play a rôle as the American base of operations for extending commercial and financial interests in the Orient. "The business background of the independence question becomes of far-reaching importance in any decision," a financial journal recently stated. "In dollars-and-cents terms it is a question of foreign investment. East or West, trade follows not the flag but the dollar—and the pound sterling, and the yen. . . . In the last analysis, the American business man and the Filipino politician have split upon the rock of foreign investment. . . . Within this 1700 mile radius . . . lies the key to Pacific commercial supremacy. To the north are the great Japanese business centres of Yokohama, Kobe, and Osaka; then the North China ports of Dairen and Tientsin; the China coast from Shanghai to Canton and Hongkong; Saigon, Bangkok, and Singapore, the British-held gateway to the wealth of the Indies; Batavia and Sourabaya in the Netherlands East Indies, and southward to Australia—all within that five day steaming radius. With Manila the centre of a 2,500 miles radius, the imagination merchandises almost half the world's population; for 761,205,000 people live and toil in this circle engir-

¹ Knox, "Spirit and Purpose of American Diplomacy," pp. 27-9.

² See Chapter III.

dling Vladivostok, the Pacific door to Siberia, India to the Arabian Sea, and Oceanica to Perth and Brisbane in Australia." ¹

10. *Protectorates*

While the State Department has been assisting American investors in the Orient and the Near East on the basis of the Open Door policy, an intensification of the Monroe Doctrine has served as the diplomatic façade of the economic conquest of Latin America, particularly of the Caribbean. "Steadily, quietly, almost unconsciously, the extension of international responsibilities southward has become practically a fixed policy with the State Department." ² There was a great rush of American capital to Cuba immediately after the Spanish-American War, and the United States did not allow its promise not to exercise "sovereignty, jurisdiction, or control" over Cuba to stand in the way. By the Platt Amendment, "proposed by General Leonard Wood, carefully drafted by Elihu Root, at that time Secretary of War, discussed at length by President McKinley's cabinet, and entrusted to Senator Platt of Connecticut," and passed by Congress on March 2, 1901, Cuba was practically made a protectorate of the United States.³ The technical legal status of Cuba is that of a "protected independent state," according to a document issued by the State Department on January 10, 1919,⁴ marked "Confidential: For Official Use Only." This official document, now on file at the New York Public Library, declares that:

"It would appear that 'independence' as a technical term employed in treaties relating to such protected States does not mean full freedom of action as a positive attribute, but rather the absence of any such restrictions upon the protected State as would amount to an infringement of its international personality and take from it a certain theoretical legal competence to be the arbiter of its

¹ "Annalist," v. 23, p. 159.

² Jones, "Caribbean Interests of the U. S.," p. 125.

³ Latané, "U. S. and Latin America," pp. 138-9. See above, Chapter VI.

⁴ Willoughby, "Types of Restricted Sovereignty," p. 7.

own destiny. . . . Cuba represents perhaps the best example of an independent State under the protection of a single power."¹

Shortly after the Platt Amendment practically turned Cuba into an American protectorate, the United States began to interpret the Monroe Doctrine in connection with business opportunities. These interpretations eventually led to the establishment of protectorates over Santo Domingo and Haiti.² An important interpretation of the Doctrine was made in 1902, when Great Britain, Germany, and Italy blockaded Venezuela to collect debts due to the investors; the United States minister to Venezuela, acting under State Department orders, prevailed upon Venezuela to submit the question to arbitration. Great Britain and Italy withdrew, but Germany continued the blockade. At this point President Roosevelt informed the German ambassador that unless Germany withdrew her fleet and submitted to arbitration, American warships would be ordered to Venezuela in ten days.³ Germany agreed to arbitrate.

II. *The Big Stick*

Although this incident strengthened the Monroe Doctrine in so far as it applied to European influence, President Roosevelt had declared in his annual message of December 3, 1901, that the United States would not guarantee any Latin-American state "against punishment if it misconducts itself, provided that punishment does not take the form of the acquisition of territory."⁴ In 1904, when Santo Domingo was in financial difficulties, he established a protectorate, first by executive agreement, later by treaty. In his annual message of 1904 Roosevelt formulates the policy of intervention by declaring that "Chronic wrongdoing, 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

¹ Willoughby, "Types of Restricted Sovereignty," pp. 6-7.

² See Chapter V.

³ Latané. "U. S. and Latin America," pp. 252-3. Mahony, "Monroe Doctrine," pp. 51-2.

⁴ U. S. "Foreign Relations," 1901, pp. xxxvi-vii.

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."¹ This "big stick" policy was applied to Santo Domingo by a later administration in the shape of armed intervention. Following the establishment of the Dominican protectorate the largest sugar plantations of the island republic fell into American hands. American investors bought up large tracts of land, and obtained a practical monopoly of the fruit trade.² That Santo Domingo and Cuba were not to be the only Caribbean protectorates of the United States was prophesied by Elihu Root in 1908, when he declared that the causes which led to American intervention in Cuba "would lead to similar action in Haiti or Nicaragua if American interests there were of equal magnitude,"³ and again in 1912, when he told the Chamber of Commerce in New York that "it is a question of time until Mexico, Central America and the islands, which we do not possess in the Caribbean, shall come under our banner."⁴ The precedent set in Santo Domingo was followed in 1912, when on behalf of Brown Brothers & Co., and J. and W. Seligman & Co., New York bankers, the Taft administration intervened and established a protectorate over Nicaragua; and again in 1915 the Wilson administration established a protectorate in Haiti.⁵ Santo Domingo also became a precedent for American diplomatic pressure in Honduras in 1911, on behalf of a banking syndicate headed by J. P. Morgan & Co.⁶ At that time Secretary Knox, who had developed "dollar diplomacy" in China and Latin America, summed up the assistance given by the Government to American investors as follows: "During the course of a year it is many times necessary for the United States to send forces to the

¹ U. S. "Congressional Record," v. 39, p. 19.

² Jones, *supra*, p. 30.

³ Coolidge, "U. S. as a World Power," p. 297.

⁴ Inman, "Problems in Pan-Americanism," p. 339.

⁵ For details see Chapter V.

⁶ Stuart, "Latin America and the U. S.," p. 278. U. S. "Foreign Relations," 1911, p. 573 ff.

ports of some of the Central American republics in order to afford protection to foreign life and property. This is done at an enormous expense, an informal estimate from some of the naval officers showing that the annual cost to this Government amounts to over \$1,000,000."¹

12. *The American Gibraltar*

America's acquisitions in its first imperialistic war offered important military and naval as well as economic advantages. Through the occupation of Hawaii, Samoa and the Philippines, the United States had footholds from which with a powerful navy she could dominate the Pacific Ocean. Porto Rico was annexed and Cuba turned into a protectorate at a time when a canal across the Isthmus of Panama and an alternative or additional canal across Nicaragua were being planned to connect the two great oceans flanking America. Henceforth, American diplomacy, in addition to safeguarding investments through negotiation, loan conventions, treaties, and bayonets, was to extend and safeguard the American empire through the establishment of naval bases in the Caribbean. The Hay-Pauncefote Treaty of 1901, which gave the United States control over the proposed Panama Canal, and which aroused no protests, marked European recognition of America's hegemony over the Caribbean region.² The building of the canal was intended, in the words of President McKinley, immediately after the Spanish-American War, to afford "that intimate and ready intercommunication between our eastern and western seaboard demanded by the annexation of the Hawaiian Islands and the prospective expansion of our influence and commerce in the Pacific."³ When the canal was completed, after the United States had fomented a revolution in Panama,⁴ the map of the world was changed, and the Caribbean was transformed into a great commercial and investing centre.⁵ In addition, by the

¹ U. S. "Foreign Relations," 1912, p. 586.

² Viallate, "Economic Imperialism," p. 37.

³ U. S. "Foreign Relations," 1898, p. lxxii.

⁴ See Chapter IV.

⁵ Inman, *supra*, p. 15.

treaty forced upon Nicaragua in 1916 after armed intervention,¹ the United States obtained the right to build another canal across Nicaragua. A series of naval bases beginning with Key West, Florida, and including Guantanamo (obtained by the treaty with Cuba), Porto Rico, and the Virgin Islands (purchased in 1917), give the United States absolute control of the Caribbean region. The treaty of 1907 with Santo Domingo gives the United States the right to build a naval base at Samana Bay; the treaty of 1915 with Haiti gives her the same right to the Mole of St. Nicholas; and the Bryan-Chamorro treaty of 1916, permits her to build naval bases on Fonseca Bay and the Corn Islands off Nicaragua.

In connection with the extension of naval power the Monroe Doctrine was modified in 1912, when it was rumoured that a Japanese trading concern had bought land which would give Japan a naval base on Magdalena Bay in Lower California, which is Mexican territory. Although the report later proved to be groundless the Senate passed a resolution introduced by Senator Lodge which provided that "when any harbor or other place in the American continents is so situated that the occupation thereof for naval or military purposes might threaten the communications or the safety of the United States, the Government of the United States could not see without grave concern the possession of such harbor or other place by any corporation or association which has such a relation to another Government, not American, as to give that Government practical power of control for national purposes."²

13. *Dollar Diplomacy*

During the Taft administration the assistance which the State Department gave to American investors had developed into so definite and clear-cut a policy that it became generally known as "dollar diplomacy."

This assistance was extended in the Far East for the purpose of obtaining financial and railway concessions for an

¹ See Chapter V.

² U. S. "Congressional Record," v. 48, p. 10045.

American banking syndicate headed by J. P. Morgan & Co., in connection with the Hukuang Railway loan and the Manchurian bank scheme.¹ Dollar diplomacy in China was thus described by President Taft in his message on foreign relations communicated to Congress on December 3, 1912: "In China the policy of encouraging financial investment to enable that country to help itself has had the result of giving new life and practical application to the open-door policy. The consistent purpose of the present administration has been to encourage the use of American capital in the development of China by the promotion of those essential reforms to which China is pledged by treaties with the United States and other powers."² At the same time the State Department helped American financiers to entrench themselves in Nicaragua, Honduras, and elsewhere in Latin America.

The rôle of the Monroe Doctrine in the Caribbean region and its relation to the interests of American bankers has been described by President Taft as follows: "It is obvious that the Monroe doctrine is more vital in the neighborhood of the Panama Canal and the zone of the Caribbean than anywhere else. . . . It is therefore essential that the countries within that sphere shall be removed from the jeopardy involved by heavy foreign debt and chaotic national finances and from the ever-present danger of international complications due to disorder at home. Hence the United States has been glad to encourage and support American bankers who were willing to lend a helping hand to the financial rehabilitation of such countries. . . . The Republics of Central America and the Caribbean possess great natural wealth. They need only a measure of stability and the means of financial regeneration to enter upon an era of peace and prosperity, bringing profit and happiness to themselves and at the same time creating conditions sure to lead to a flourishing interchange of trade with this country." The in-

¹ See Chapter III.

² U. S. "Foreign Relations," 1912, p. xi. For details of the "Government's co-operation with the Morgan banking group in efforts to exploit China," see Chapter III.

terests of American investors were protected by the landing of "over 2000 marines and blue-jackets in Nicaragua. Owing to their presence the constituted Government of Nicaragua was free to devote its attention wholly to its internal troubles, and was thus enabled to stamp out the rebellion."¹

The policy of protecting American investments led the Taft administration to interfere in Ecuador "to the end that American interests in Ecuador might be saved from complete extinction."² Similarly in the same year American marines were landed in Cuba to protect American Investments.³ The chief tenet of dollar diplomacy with its corollary of intervention in weak states was outlined by President Taft as follows: "While our foreign policy should not be turned a hair's breadth from the straight path of justice, it may well be made to include active intervention to secure for our merchandise and our capitalists opportunity for profitable investment which shall inure to the benefit of both countries concerned."⁴

The policy of rendering active assistance to American investors was continued and amplified by the Wilson administration. Armed intervention, such as had taken place in Santo Domingo on behalf of the Santo Domingo Improvement Company and in Nicaragua on behalf of Brown Brothers and J. and W. Seligman & Co., was in 1915 undertaken in Haiti on behalf of the National City Bank. The Department of State also continued American control in Nicaragua through the Bryan-Chamorro treaty of 1916. Another example of interference on behalf of American finance in the Caribbean region is disclosed in the following instructions sent by the State Department to the American legation in Cuba, 1913: "Information received by Department forecasts an attempt to renew a project of British capitalists to rush through Cuban Congress concession for railroad from Nuevitas to Caibarien.

"You will earnestly urge upon the President the desirability

¹ U. S. "Foreign Relations," 1912, pp. xii-xiii. See above, Chapter V.

² *Ibid.*, p. xxiii.

³ *Ibid.*, p. xxv. See above, Chapter VI.

⁴ Viallate, "Economic Imperialism," p. 62.

of postponing final action on this bill sufficiently to allow the fullest investigation and consideration, emphasizing the burden it would impose on the Cuban Treasury in favor of capital which is neither American nor Cuban."¹

This was a definite step in the direction of an economic Monroe Doctrine. In fact, before long government assistance to American oil interests resulted in an elaboration of the Monroe Doctrine by President Wilson which implied that the United States in the future would not only oppose European territorial acquisition in the Western Hemisphere, but would also oppose concessions to foreign investors.² In 1913 the United States Government prevented a British oil syndicate from obtaining a concession in Colombia. Shortly afterward President Wilson declared in a speech at Mobile, Alabama:

"You hear of 'concessions' to foreign capitalists in Latin America. You do not hear of concessions to foreign capitalists in the United States. They are not granted concessions. They are invited to make investments. . . . States that are obliged, because their territory does not lie within the main field of modern enterprise and action, to grant concessions are in this condition, that foreign interests are apt to dominate their domestic affairs, a condition of affairs always dangerous and apt to become intolerable . . . I rejoice in nothing so much as the prospect that they will now be emancipated from these conditions, and we ought to be the first to take part in assisting in that emancipation."³

14. *Oil and Intervention*

American oil investments in Mexico led to political interference and armed intervention by the Wilson administration in 1914. The United States Government, which had supported or fomented revolutions in Hawaii, Panama, and Nicaragua, and had on the whole followed a policy of recognizing de facto governments,⁴ now refused to recognize the Huerta government. The doctrine of recognition was distinctly American, having

¹ U. S. "Foreign Relations," 1913, p. 381.

² Viallate, *supra*, p. 69.

³ Scott, "President Wilson's Foreign Policy," pp. 22-3.

⁴ Latané, "From Isolation to Leadership," p. 160.

been laid down by Jefferson to off-set the European doctrine of Divine Right, and as a corollary to the principle expressed in the Declaration of Independence that governments derive their just powers from the consent of the governed. It was first disregarded by President Roosevelt in the case of Santo Domingo when he told the revolutionary leaders that he would not recognize them even if they succeeded.¹ President Wilson's refusal to recognize Huerta was followed by the landing of American troops at Vera Cruz and the capture of the customs house on April 20, 1914. This intervention alarmed all of Latin America; the A B C group—Argentina, Brazil, and Chile—hastened to offer mediation, and as a result of a conference held at Niagara on May 20, Huerta resigned. By August, General Carranza, head of one of the revolutionary factions, took control of the Mexican Government, but his power was contested by General Francisco Villa. After unsuccessful attempts to reconcile the warring factions, the United States recognized the Carranza government in October, 1915. In retaliation, Villa began a series of raids on American citizens, some of which brought him across the border. A punitive expedition under General Pershing was dispatched into Mexico in March, 1916, and later large bodies of troops were massed on the Mexican border. A loud demand for war was raised by American investors in oil, land, mines, and rubber in Mexico.² But President Wilson pursued a policy of "watchful waiting" which staved off war with Mexico until the United States was ready to enter the World War.

Behind these bare facts of Mexican intervention lies a story of attempts by American investors to exploit an undeveloped country with immense resources, and active aid by the United States Government to some of these investors. That policy has been increasingly followed wherever American money has been invested in appreciable quantities. It may be described as a policy of using diplomatic pressure to modify either the laws or the administration of the country in which Americans have

¹ Fish, "American Diplomacy," p. 484. c

² Latané, *supra*, p. 163.

concessions. In his testimony before a Senate Committee, Henry Lane Wilson, United States ambassador to Mexico from 1909 to 1913, declared: "There were instances, of course, where I was called upon to represent some important interests before the Mexican Government, but that was almost without exception under instructions from the Department of State."¹ John Lind, special representative of President Wilson to Mexico, in 1913, stated that "Those who had oil interests . . . all wanted intervention. They wanted Uncle Sam, as they usually put it, to come down and clean up Mexico and protect them and their purchases or concessions that they had obtained."²

In 1917 the Carranza government adopted a new constitution, Article 27 of which provided: "(a) No foreign corporation or individual can legally acquire or hold any mines, oil wells, land or other real property in Mexico unless he renounces his citizenship.

"(b) No corporation, either domestic or foreign, can own agricultural, grazing, or other rural lands in Mexico, and if title to such property is already vested in a corporation provision is made for its acquisition by the respective State governments in exchange for state bonds.

"(c) No corporation owning a mine, oil well, factory, or other industrial enterprise can hold or acquire land in excess of its actual immediate requirements, the area to be determined by the Federal or State executive.

"(d) No foreign corporation or individual can, under any condition, hold or acquire ownership to lands or waters within 60 miles of its frontiers or 30 miles from the sea-coast.

"(e) The ownership of all minerals, solid, liquid, or gaseous, is declared to be vested in the nation, regardless of existing rights based upon the old constitution.

"(f) All contracts relating to the acquisition of natural resources made since the year 1876 are subject to revision by the present government, and the executive is authorized to declare them null and void." Article 27 furthermore provided that

¹ U. S. Congress, 66:2; "Sen. Doc." v. 10, p. 2252.

² Ibid., p. 2325.

"the nation shall have at all times the right to impose on private property such limitations as the public interest may demand, as well as the right to regulate the development of natural resources . . . in order to conserve them and equitably to distribute the public wealth. . . .

"In the nation is vested direct ownership of all minerals. . . .

"In the nation is likewise vested the ownership of the waters of territorial seas."¹

This attempt by Mexico to nationalize its natural resources met with the most powerful opposition by American concessionaires, and consequently the United States Government took active measures to protect the investors. On January 19, 1916, Secretary of State Lansing wired to Consul John R. Silliman in Mexico: "Department reliably informed de facto authorities contemplate issuing a decree providing for the nationalization of petroleum, which, if we are correctly informed, would affect most seriously the interests of numerous American citizens and other foreigners who have heretofore engaged in the business of producing and selling petroleum in Mexico. Point out to General Carranza in unequivocal terms the dangerous situation which might result from the issuance of any decree of a confiscatory character. Request that definite action be delayed until department shall have had opportunity to examine proposed decree, and mail copy thereof to department."² On January 22, 1917, the State Department informed the Carranza government that "the American government cannot acquiesce in any direct confiscation of foreign-owned properties in Mexico or indirect confiscation."³

To give effect to the Constitutional provision nationalizing natural wealth, Carranza on February 18, 1918, issued a decree "for the imposition of certain taxes on the surface of oil lands, as well as on the rents, royalties, and production derived from the exploitation thereof."⁴ Again the State Department pro-

¹ U. S. Congress, 66:2; "Sen. Doc." v. 9, p. 446.

² Ibid., v. 10, p. 3121.

³ Ibid., v. 10, p. 3123.

⁴ Ibid., v. 9, p. 266.

tested, declaring that "the United States cannot acquiesce in any procedure ostensibly or nominally in the form of taxation or the exercise of eminent domain but really resulting in the confiscation of private property and arbitrary deprivation of vested rights."¹ The decree called for the filing of documents showing the basis of their titles by concessionaires. The American oil companies, according to Edward L. Doheny, a leading American oil investor in Mexico, refused to file these statements "with the consent and approval and at the suggestion of our own State Department."² On April 2 the State Department again made a "formal and solemn protest . . . against the violation or infringement of legitimately acquired American private property rights involved in the enforcement of said decree."³ Passing from protests to threats the State Department added: "It becomes the function of the Government of the United States most earnestly and respectfully to call the attention of the Mexican Government to the necessity which may arise to impel it to protect the property of its citizens in Mexico divested or injuriously affected by the decree above cited."⁴

15. *The State Department as a Business Solicitor*

In addition to extending commerce through treaties, acquiring naval bases, establishing protectorates, intervening in elections, withholding recognition, and using the army and navy to coerce debtors, the United States Government has also acted as a business solicitor for American investors in China, the Near East, and Latin America. Naval intelligence missions sent to various countries of the world not only report on naval matters but supply the Department of Commerce with information about opportunities for investment.

Secretary of State Hughes has stated that "in order to accord adequate protection to American interests in the Near East during the period following the Great War, the Department of

¹ U. S. Congress, 66:2; "Sen. Doc." v. 9, p. 266.

² *Ibid.*, p. 267.

³ *Ibid.*, v. 10, pp. 3157-8.

⁴ *Ibid.*, v. 9, p. 267.

State has maintained its representatives throughout this area, and a naval force has been stationed in Near Eastern waters since 1919. Until October, 1922, this force consisted of from three to nine destroyers with various other craft from time to time. . . . These vessels have been of inestimable service to the representatives of the Department of State and to all American interests in the Near East."¹

This rôle of advance agent for American business, and particularly for American finance, was increasingly assumed by the government after the outbreak of the European war, when capital began to flow into this country, and the surplus accumulated at an enormous rate. The upheaval in the economic life of the world was reflected in American foreign policy as soon as it became evident that finance, as distinguished from industry and commerce, was about to become a leading activity of American capitalists. The foreign business of American bankers began in a small way at the beginning of the twentieth century; before the outbreak of the war financial investments had already received government aid in China and Latin America; with the outbreak of the World War, the United States began to play the dominant financial rôle in the world. A sign of the new times was the Pan-American Financial Conference called in Washington on May 24, 1915, attended by the finance ministers and leading bankers of the United States and twenty Latin-American countries. Just as the Pan-American conference inaugurated by Blaine represented the interests of American manufacture and commerce, so the new conferences represented the interests of those bankers who were ready to invest in foreign loans, the building of railways, canals, public utilities, and in developing mines and other natural resources.² The purpose of the new type of conference was thus described by Secretary of the Treasury William Gibbs McAdoo in greeting the delegates: "The time is ripe for the establishment of closer financial relations between the people of the United States and the nations of Central and South America. In order that

¹ "Foreign Affairs," v. 2; "Supplement," p. xviii.

² Academy of Political Science, "Proceedings," p. 598.

these conferences may be productive of important and permanent results, the Secretary, interpreting what he believes to be the wish of the members of the Conference, has arranged to have a group of eminent financiers and leading business men of the United States meet with each of the delegations from the sister republics. In a sense, therefore, the Conference will partake of the nature of a series of meetings between the official delegates of the Republics . . . and the representatives of the Secretary of the Treasury."¹ In reality, the bankers were not the representatives of the Secretary of the Treasury; it was the Secretary who was the representative of the bankers.

A year later the trend of the new times was formulated by President Wilson in these words: "These are days of incalculable change. . . . We must play a great part in the world whether we choose it or not. Do you know the significance of this single fact that within the last year or two we have . . . ceased to be a debtor nation and have become a creditor nation; that we have more of the surplus gold of the world than we ever had before, and that our business hereafter is to be to lend and to help and to promote the great peaceful enterprises of the world? We have got to finance the world in some important degree, and those who finance the world must understand it and rule it with their spirits and with their minds."²

During and following the war the State Department worked in the closest co-operation with American finance to obtain concessions in foreign countries. An outstanding example is the Chinese Consortium loan of 1920, in reference to which the United States Government pledged itself to aid in every way possible and "to make prompt and vigorous representations, and to take every possible step to ensure the execution of equitable contracts made in good faith by its citizens in foreign lands."³ A feverish activity to obtain concessions for American oil interests has been carried on with equal ardour

¹ Pan American Financial Conference, "Proceedings," 1915, p. 73.

² Robinson and West, "Foreign Policy of Wilson," pp. 338-40.

³ See Chapter III.

and persistence by the Wilson and Harding administrations. Oil had become one of the dominant factors in modern economic life, and the governments of the great powers are struggling for control of the world's oil supply. "The country which dominates by means of oil," one oil magnate has declared, "will command at the same time the commerce of the world. Armies, navies, money, even entire populations, will count as nothing against the lack of oil." A revolution has taken place in fuel, and petroleum has become one of the chief stakes of diplomacy. No sooner did it become known in 1920 that Great Britain was to receive the mandate over Mesopotamia than the State Department began to pound on the gates demanding that Standard Oil be admitted to the oil fields of that region. The policy of the open door, which had been disregarded in keeping British oil interests out of Colombia in 1913, was invoked on behalf of American oil interests in 1920. The first note addressed by Ambassador John W. Davis to the British Foreign Office referred to "unfortunate impression in the minds of the American public, that the authorities of His Majesty's Government in the occupied region had given advantage to British oil interests which were not accorded to American companies, and further that Great Britain had been preparing quietly for exclusive control of the oil resources in this region. . . . The United States Government believes that it is entitled to participate in any discussions relating to the status of such concessions, not only because of existing vested rights of American citizens, but also because the equitable treatment of such concessions is essential to the initiation and application of the general principles in which the United States Government is interested."¹ The vested interests of American citizens in the Near East referred to in Davis's note were the Chester concession, including the Mosul section, and Standard Oil claims in Palestine. On behalf of the latter Washington continued to demand participation in the exploitation of the petroleum fields in and around Mosul for which the Turkish petroleum com-

¹ Great Britain; Foreign Off., "Miscellaneous," no. 10, (1921), p. 2.

pany, a British-French-Dutch syndicate, claimed to have a concession.

"The fact cannot be ignored," Secretary of State Bainbridge Colby notified Great Britain, "that the reported resources of Mesopotamia have interested public opinion of the United States, Great Britain and other countries as a potential subject of economic strife. . . . Because of the shortage of petroleum, its constantly increasing commercial importance, and the continuing necessity of replenishing the world's supply by drawing upon the latent resources of undeveloped regions, it is of the highest importance to apply to the petroleum industry the most enlightened principles recognized by nations as appropriate for the peaceful ordering of their economic relations."¹

Both the Wilson and Harding administrations repudiated the San Remo agreement which gave the Turkish Petroleum Company a monopoly in Mesopotamia. As a result of the activities of the State Department, the Standard Oil Company obtained the right to explore its claims in Palestine.² The "unofficial" American representative at the Lausanne conferences carried on the fight for the Open Door until the controversy was settled by allowing Standard Oil to enter the Turkish Petroleum combine.³

The rôle of a business solicitor was frankly played by the State Department again in its attempts to obtain concessions for the Standard Oil Company in the Djambi oil fields of the Dutch East Indies. On April 19, 1921, the American Minister at the Hague pointed out to the Dutch Government that "in the future ample supplies of petroleum have become indispensable to the life and property of my country as a whole, because of the fact that the United States is an industrial nation in which distance renders transportation difficult and agriculture depends largely on labor-saving devices using petroleum products. In these circumstances my Government finds no alternative than the adoption of the principle of equal opportunity, with the provision that no foreign capital may operate in American pub-

¹ Great Britain; Foreign Off., "Miscellaneous," no. 10, (1921), p. 9.

² U. S. Congress, 68: 1, "Sen. Doc." 97, pp. 60-67.

³ Chapter III.

lic lands unless its Government accords similar or like privileges to American citizens."

The American minister went on to threaten that "in the light of the future needs of the United States such very limited and purely defensive provisions . . . might become inadequate should the principle of equality of opportunity not be recognized in foreign countries."¹ The American Government, the note stated, was "very greatly concerned when it becomes apparent that a monopoly of such far-reaching importance in the development of oil is about to be bestowed upon a company in which foreign capital other than American is so largely interested."² However, the efforts of the State Department could not prevent the concession in the Djambi fields from going to a subsidiary of the Royal Dutch.³

In its co-operation with American oil interests the State Department has fulfilled the advice of Edward L. Doheny, who told a Senate Committee that "the United States ought to hold for its industries and for its people . . . the oil lands that are owned and have been acquired by Americans anywhere in the world, and they should not be allowed to be confiscated by any Government, whether it be British, Mexican or any other. They ought to be maintained."⁴

The intimate relations between the State Department and American investments in foreign countries led the Department on March 3, 1922, to urge investment bankers to consult it before floating loans, which might involve the United States in the affairs of another country. A statement issued by the Department declared:

"At a conference held last summer between the President (Harding), certain members of the Cabinet and a number of American investment bankers, the interest of the Government in the public flotation of issues of foreign bonds in the American market was informally discussed, and the desire of the Govern-

¹ U. S. Congress, 68:1; "Sen. Doc." 97, p. 70.

² Ibid., p. 70-1.

³ Davenport and Cooke, "The Oil Trusts," p. 108.

⁴ U. S. Congress, 66:2; "Sen. Doc." v. 9, p. 254.

ment to be duly and adequately informed regarding such transactions before their consummation, so that it might express itself regarding them if that should be requested, or seem desirable was fully explained. Subsequently the President was informed by the bankers that they and their associates were in harmony with the Government's wishes and would act accordingly. . . . The flotation of foreign bond issues in the American market is assuming an increasing importance and on account of the bearing of such operations upon the proper conduct of affairs, it is hoped that American concerns that contemplate making foreign loans will inform the Department in due time of the essential facts and subsequent developments of importance. Responsible American bankers will be competent to determine what information they should furnish and when it should be supplied. . . . The Department believes that in view of the possible national interests involved it should have the opportunity of saying to the underwriters concerned, should it appear advisable to do so, that there is or there is not objection to any particular issue."¹

The United States has travelled a long distance since the days of isolation and no entangling alliances. In addition to the territory which this government controls is the steady penetration of American finance into the industrially undeveloped countries of Latin America and Asia, and even into the highly developed countries of Europe. The penetration proceeds through the export of capital. State Department support for these investments expresses itself through the Monroe Doctrine in Latin America, the Open Door in Asia, and various forms of the Dawes plan in Europe.

The Washington Arms Conference openly marked the emergence of the United States as a dominant Far Eastern Power. With Great Britain and Japan its biggest rivals in that section of the world, it was a great triumph for American finance and diplomacy to break up the Anglo-Japanese Alliance by the Four Power Treaty, and to substitute for the old race for spheres of influence an international financial trust in the form of the Chinese Consortium.²

¹ "New York Times," Mar. 4, 1922, p. 2:8.

² See Chapter III.

Granting or withholding recognition of revolutionary governments is another method by which American diplomacy seeks to exert pressure on behalf of American investors. For over a century it was the policy of the United States to recognize de facto governments. The policy was abandoned first in the Caribbean region when American interests became dominant. It has now been evoked in the case of Russia, and has been applied on several occasions as a form of pressure in Mexico. Control in this direction has also been exercised through shipping or withholding arms. Secretary Hughes frankly admitted that America refused to adhere to the St. Germain convention relating to arms traffic because it "would prevent this government from selling arms to our neighboring republics . . . however necessary that course might be to the maintenance of stability and peace in this hemisphere."¹ In the case of Huerta the United States withheld arms from the de facto government and shipped them to the revolutionists; in the case of Obregon the process was reversed. At the Geneva traffic-in-arms conference of 1925, the United States reserved the right to ship arms to any government, whether recognized or not.

The relations between Washington and American investors were indicated by Secretary Hughes when he declared that the United States Government has at times "agreed to a measure of supervision in the maintenance of security for loans." The measure of supervision has been exercised by State Department agents, naval officers, and marines, who imposed treaties on the Caribbean republics giving Americans control over customs collection and government personnel, and forcing loans. Marines continue to rule Haiti, and in 1922 an American High Commissioner was appointed "charged with the duty of coordinating and supervising the work of treaty officials" carrying out the provisions of the 1915 treaty. American troops left Santo Domingo in 1924 only after the native government had signed a treaty approving all the acts of the military occupation, and providing for the protection of loans made by American bankers in 1918 and 1922.² American marines were withdrawn from

¹ Hughes, "Foreign Relations," p. 57.

² *Ibid.*, p. 64. See also Chapter V.

Nicaragua in 1925, but control was retained through an American-commanded constabulary. In all three republics customs are collected by Americans.

Since 1919 the State Department's activities as a business solicitor have included sending protests against the British protectorate over Persia, where the Sinclair oil interests are seeking a foothold; against a monopoly of European oil interests in Mesopotamia, where the Standard Oil Company finally obtained a share; against the decision of the San Remo conference to partition most of the Ottoman Empire into spheres of influence among France, Italy and Great Britain, which affected the claims both of Standard Oil and of the Chester group; against Dutch discrimination in the Dutch East Indies, where Standard Oil was affected; against the attempts of France and Japan in Siberia and Manchuria and of Great Britain in the Caucasus and Northern Persia to acquire the interests of Russia in sections where the Morgan banking group has financial and railway interests through the Chinese Consortium and Standard Oil and Sinclair have oil interests; against Great Britain and Australia for alleged violation of the mandate terms agreed upon for the island of Nauru, and against Japan for similar violations of Pacific islands like Yap; against cable and wireless monopolies in the Far East, on behalf of the Federal Telegraph Company; against France for attempting to set aside the Open Door doctrine in regard to Morocco; against the attempts of China and Soviet Russia to come to an agreement on the Chinese Eastern Railway, which American finance has sought to obtain since the days of E. H. Harriman, and against the attempts of Japan to monopolize the Manchurian "sphere of influence" in connection with the new Chinese Consortium in which the Morgan banks play the dominant rôle.

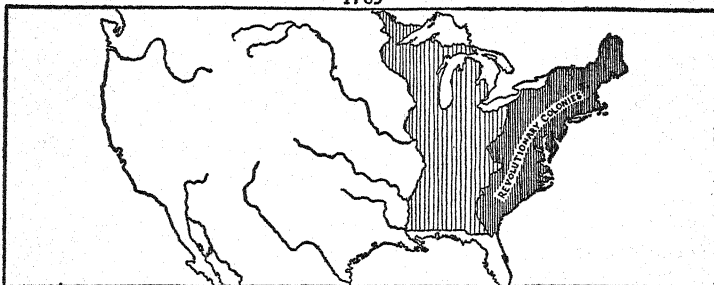
A similar summary of Government co-operation with American finance in Latin America would show variations of the Monroe Doctrine ranging from mere warnings to armed intervention and the establishment of protectorates. It would include the determination of boundaries; the prevention of

filibustering inimical to American financial interests and the helping of filibustering advantageous to American financial interests; the administration of Americans of the customs house in Santo Domingo, Haiti, and Nicaragua; the annexation of Porto Rico and the purchase of the Virgin Islands; the financial annexation of Central America and Cuba, where protectorates of one sort or another have been established; armed intervention to protect debt claims or banking interests or oil interests; the destruction of independent government in three republics; the fomenting of revolution in Panama, Honduras, and perhaps Mexico; the building of the Panama Canal; the option on a canal route in Nicaragua, and attempts to obtain a third Canal route; interference with elections; the refusal to recognize governments not subject to the control of American interests and the active support of governments backed by American interests; the acquisition of naval bases at Guantanamo, Samana Bay, the Corn Islands, Fonseca Bay, and St. Thomas; the establishment of native constabularies under American officers, similar to the British colonial system; diplomatic interference by an economic interpretation of the Monroe Doctrine, for the purpose of blocking Latin-American concessions to European investors; the active soliciting of loan business for New York banking houses; and the carrying on of a ceaseless campaign on behalf of the oil interests against the attempts of Mexico to nationalize its natural resources.¹

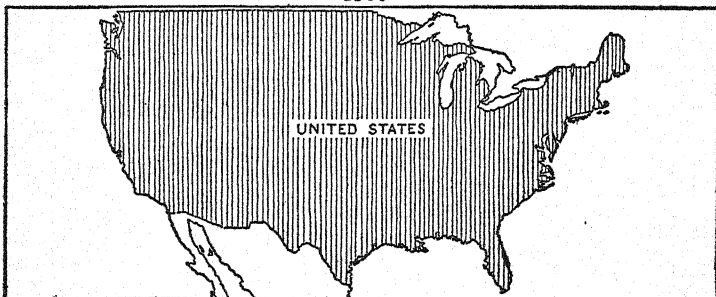
¹ Blakeslee, "Mexico and the Caribbean," pp. 186-7.

THE TERRITORY OF THE UNITED STATES

1789



1850



1924

