

IV. U.S. AND LATIN AMERICAN POLICIES TOWARD EACH OTHER IN THE POSTWAR PERIOD¹

A. BACKGROUND

It was not until the end of the 19th century that U.S. relations with Latin America began to become a prominent feature in the conduct of our foreign policy. The pan-American movement was initiated by the United States in 1889, its chief object being the promotion of trade. To this end three pan-American conferences were held prior to World War I, but little was achieved due to Latin America's apparent indifference concerning commercial problems and its suspicion of U.S. motives in creating closer hemisphere ties.

Latin America's apprehensions sprang from a fear of "Yankee imperialism." The emergence of the United States as a world power following the Spanish War and the subsequent encroachments in the Caribbean area by Great Britain and Germany suddenly made security precautions a key consideration in U.S. policy toward Latin America. A number of reasons, including concern for the rights of U.S. creditors and for the safety of U.S. property, lay behind the active policy of intervention in five Latin American republics in the early decades of this century. But the primary motive was to stabilize chaotic political situations that loomed as a threat to this nation's security. In the Caribbean, the fear of European intervention was the main reason for U.S. action; in Central America, the safety of the Panama Canal was at issue. In every military intervention the formula for the establishment of stability was the same, namely to restore order in the finances and to build up responsible armed forces that would preserve internal order and thus insure orderly political processes. This latter part of the task was entrusted directly to U.S. Armed Forces on the spot. In 1906, the U.S. Army began the process in Cuba. The Marine Corps extended it to Haiti in 1915, to the Dominican Republic in 1916, to Panama in 1918, and finally to Nicaragua in 1926. The operation did not come to an end till the last of the marines left Haiti in 1934. Meanwhile, on the eve of World War I, the U.S. Navy had occupied Veracruz, and an army expedition entered northern Mexico in pursuit of Pancho Villa.

The prewar failure to cement trade ties and the rash of interventions were at least two of the reasons for the lack of hemispheric cooperation during World War I. Brazil was the only South American nation to declare war on Germany. However, during the war itself and the immediate postwar period, United States-Latin American trade expanded greatly, and U.S. investments began to flow southward in ever-increasing volume. Also, intervention began to wane in the 1920's, even though the United States insisted upon maintaining the "right to intervene."

¹ The recent disturbances in the Caribbean along with certain policy recommendations are discussed in the appendix.