




Revista Brasileira de  
Política Internacional

ISSN 1983-3121

<http://www.scielo.br/rbpi>

**José Antonio Sanchez Roman**

Universidad Complutense de Madrid,  
Relaciones Internacionales e Historia  
Global, Madrid, Spain  
([sanchezroman@ccinf.ucm.es](mailto:sanchezroman@ccinf.ucm.es)).

 ORCID ID:  
[orcid.org/0000-0003-3014-2520](https://orcid.org/0000-0003-3014-2520)

**Copyright:**

- This is an open-access article distributed under the terms of a Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided that the original author and source are credited.
- Este é um artigo publicado em acesso aberto e distribuído sob os termos da Licença de Atribuição Creative Commons, que permite uso irrestrito, distribuição e reprodução em qualquer meio, desde que o autor e a fonte originais sejam creditados.



# The challenge from the periphery: Latin America's New Deals and the shaping of Liberal Internationalism in FDR's Era

DOI: <http://dx.doi.org/10.1590/0034-7329201800208>

ORIGINAL ARTICLE

*Rev. Bras. Polít. Int.*, 61(2): e008, 2018

## Abstract

FDR's policies, in particular the New Deal, became a sort of global brand, and created a transnational space of discussion. Many in the periphery, in particular in Latin America, appropriated the notion and labeled their own proposals as their own New Deals. These proposals produced an alternative international cooperative order, not necessarily the one wished by American elites. Latin America's appropriation and reinterpretation of Franklin Delano Roosevelt's message stirred controversies and disputes in the United States, within the liberal internationalist sectors, both in political positions and private actors. This article explores the reaction of certain U.S. liberal elites to the way Latin Americans appropriated and shaped international Rooseveltian ideas. It argues that some American internationalist elites feared that the way in which Latin Americans understood the New Deal and the Good Neighbor Policy might push development ideas abroad beyond the pale, as it might encourage the more radical stance of FDR administration at home, and it might jeopardize an American-led reorganization of the international order.

**Keywords:** U.S. liberal internationalism; Good Neighbor Policy; international order; development.

Received: April 23, 2018

Accepted: August 31, 2018

## Introduction

Everybody wanted to be Roosevelt. As Laura Ruiz Jiménez has shown in an insightful article, all major political actors in Argentina in the mid-1940s purported to deliver the local version of Franklin Delano Roosevelt's (FDR) New Deal (Ruiz Jiménez 1998). Roosevelt's speech on the four freedoms (and in particular freedom of want) resonated all over the world and inspired many people in the Americas and Asia. For many politicians in the south, the Good Neighbor Policy in Latin America seemed to have established a new and positive pattern in relations between the United States and the rest of the hemisphere. And yet, behind

this seemingly consensual atmosphere, important divergences were taking shape. Drawing on the same liberal internationalist semantics displayed by Roosevelt and his administration, many politicians and bureaucrats from **peripheral** countries were silently producing an alternative view on how to organize the international order and alternative ways of thinking about development.

Kiran Patel's work has aptly shown how FDR's policies were not as novel as usually believed. Moreover, Patel challenges the notion of an American - that is, U.S. - exceptionalism by showing how the experiences carried out in other parts of the world, in particular Europe, influenced FDR's policies (Patel 2016). But at the same time, FDR's policies, in particular the New Deal, became a sort of global brand, and created a transnational space of discussion. Many in the **periphery**, in particular in Latin American, appropriated the notion and labeled their proposals as their own New Deals. In turn, Latin America's appropriation and reinterpretation of FDR's message stirred controversy and dispute in the United States, within the liberal internationalist sectors. American liberal internationalists were a motley coalition of politicians, scholars, journalists, businessmen, philanthropic institutions or think-tanks, among others. They shared the idea that the world needed international organizations designed to promote cooperation and avoid war. As Glenda Sluga has asserted, in reference to liberal internationalists worldwide (with whom they were strongly connected), American liberal internationalists took the nation-state as a normative frame of reference, rejected class-based internationalism, were deeply anti-communist and stressed a view of global governance focused on progress and modernity (Sluga 2013). In general, they backed a move toward a cooperative international economic order abroad and – in different degrees – a more regulated domestic economy, which was not far from FDR's own position. Yet, the very way in which Roosevelt's message was appropriated in parts of the world sparked controversy among American liberal internationalists (and even within the Roosevelt administration).

This controversy focused on economic matters. Certain liberal internationalists in the United States feared that the way in which Latin Americans understood the New Deal and the Good Neighbor Policy might push development ideas beyond the pale abroad, and encourage a more radical stance by FDR administration at home. Furthermore, as World War II unfolded, the way in which Latin Americans understood the New Deal and the new economic policies became a challenge to the role they believed the United States should play as the sponsor of a truly global order. Ultimately, although the Good Neighbor Policy established the basis for an international liberal order under U.S. hegemony, it proved to be contradictory to this very order.

This article explores the concerns among American liberal internationalists about Latin America's understanding of the new policies launched by FDR's administration. Ira Katznelson has demonstrated, in a very important contribution, how the domestic alliances established by the New Deal with representatives from the South shaped U.S. foreign policies (Katznelson 2013). But at the same time, FDR's domestic policies were entangled with the impact of his own foreign policy and his image beyond the U.S. borders. In particular, the discrepancies emerging as a result of Latin America's New Deals have to be understood in broader perspective, *i.e.*, the creation

of a new international order. As Patrick O. Cohrs (unpublished)<sup>1</sup> has remarked, the Roosevelt administration and U.S. citizens participated in a transnational effort to recast the international order under American influence (see Cohrs in this issue of the RBPI). To some extent, this was part of a learning process that sought to avoid previous mistakes, such as those committed by president Wilson, and it was characterized by a transatlantic dialogue between the United States and Europe. However, the new international order was also rooted in Pan-American relationships (Grandin 2010; Sánchez Román 2015). Hence, the dialogue with Latin America was also crucial for the shaping of the country's rise and the establishment of the new global order. To a large extent, the dialogue dealt with national development policies' reach in a liberal, multilateral international order under U.S. hegemony.

This dialogue was encouraged not only by politicians in Washington but also by businessmen, academics and other non-official actors. In this article, I will focus on the example of some conspicuous representatives of the U.S. elites who favored stronger international and Pan-American commitments for the United States, in particular the Rockefeller Foundation (RF) and the Council on Foreign Relations. Although these two institutions do not represent the whole variety of groups and individuals who supported liberal internationalist policies, both influenced Washington discussions and held strong links with American and foreign businessmen and scholars. The Council on Foreign Relations in particular brought together high-level politicians, professors, journalists, and entrepreneurs, with relevant positions in their fields.

The RF, the Council on Foreign Relations and U.S. authorities in Washington encouraged a new approach to Pan-American relations. A considerable part of this new approach focused on economic issues, and this became a source of frictions and contention among U.S. actors. Part of the U.S. liberal elites was puzzled and uneasy with the unexpected consequences of the international projection of American liberal ideas abroad, in particular in Latin America.

## Latin America's New Deal

In the 1930s, the United States turned its attention to Latin America, as part of a reorientation of their global strategies. First of all, Washington aimed to overhaul its hemispheric relations. This process had already begun under Herbert Hoover's administration but it intensified under FDR's government, when the war in Europe became more likely. The result was that President Roosevelt's Good Neighbor Policy, which put an end to old interventionist practices, introduced a greater sensitivity to Latin American interests (Pike 1995; Green 1971; Gellman 1979; Woods 1985; Grandin 2010).

The Good Neighbor Policy aimed to gain the trust of Latin Americans. One of its main goals, according to FDR's explicit declarations, was to guarantee the supply of Latin American

---

<sup>1</sup> see Cohrs in this issue of the RBPI

key raw materials to the United States in case of war. The U.S.' new hemispheric policy was also a response to the economic meltdown of the 1930s. The Roosevelt administration hoped to reduce unemployment rate at home by encouraging trade with Latin American republics, therefore increasing the demand for U.S. products. There were also political considerations at stake. An alliance with the Latin American republics would serve to deter the threat of "economic and cultural penetration by fascist countries."<sup>2</sup>

The U.S. strategy shift towards Latin America was embraced in most republics in the hemisphere. Roosevelt became a truly popular figure in Latin America and successfully toured Argentina, Uruguay and Brazil in 1936 (Grandin 2010). As Andrew Crawley has remarked, "the policy of the good neighbor, and perhaps even more so the New Deal, nurtured in Latin America an image of Roosevelt as a man deeply concerned for the disadvantaged" (Crawley 2007, 1). Both with his domestic and his foreign policies, Roosevelt provided a vocabulary that was appropriated by Latin Americans for labeling their own reformist policies at home and their negotiations in international *loci*. In the 1930s, as a result of the global economic crisis, but also stemming from the growing social complexity of many Latin American societies, several nationalist or populist governments in the region embarked on reformist processes aimed at diversifying the economic structure of their nations and making their society more inclusive.

The reforms meant a renovated role for the state in economic matters. As Eric Helleiner has pointed out, the new Latin American policies were seen with sympathy by the U.S. Department of State and the officials of the Roosevelt administration more closely involved in the application of the Good Neighbor Policy (Helleiner 2009)<sup>3</sup>. Latin American reformist projects had many expressions, ranging from the radical, such as the government led by Lázaro Cárdenas in Mexico, to more conservative economic reform experiments in the south of the continent. In many of these projects, the vocabulary, if not the influence, of the New Deal became particularly notable.

In Brazil, the authoritarian regime established by Getúlio Vargas in 1937, the *Estado Novo*, albeit strongly influenced by Portugal's dictatorship, explicitly refers to the New Deal as its source of inspiration (Lewis 2008). In Colombia, many young liberals who supported the so-called **Marching Revolution** (*Revolución en Marcha*) - the reformist period between 1934 and 1948 led by Alfonso López Pumarejo - took FDR's New Deal as a model of what modern policies should be (Abel and Palacios 1991).

The Mexican case is a particularly relevant example of FDR's successful hemispheric policies and image, since the revolutionary regime in the country had traditionally maintained a tense relationship with its powerful neighbor. Between 1934 and 1940, president Cárdenas carried out reforms aimed at fulfilling some of the promises of the Mexican Revolution (1910–17) and the Mexican constitution of 1917. To name only a couple of them, the president greatly accelerated the agrarian reform, distributing more than 17 million hectares among two million peasants; also,

<sup>2</sup> An RF program in Latin America, 30 Dec 1937, Folder 1097, Box 148, Series 300, R. G. 2, General Correspondence, FA 308, Rockefeller Foundation Records (RFR), Rockefeller Archive Center (RAC).

<sup>3</sup> On the relationships between FDR and Latin American nationalist governments see Kimball (1991, 108).

the Mexican government nationalized the oil industry and created a government-run monopoly. In both cases, foreign - and in particular, U.S. - interests were severely affected. Both reforms had their roots in the nationalist political discourse shaped during the Revolution, but, paradoxically, the new U.S. vocabulary also played a significant role. The Roosevelt administration tolerated both reforms. The U.S. Ambassador in Mexico, Josephus Daniels, a staunch supporter of the Good Neighbor Policy, accepted Cárdenas' socially advanced policy as compatible with the New Deal, and in fact underlined the similarities between Cárdenas' and FDR's social and economic policies (Cullather 2010). When it came to the expropriation of oil companies, secretary of state Cordell Hull advocated a tough line, but ultimately, Washington authorities understood that fighting Cárdenas' administration on account of its oil policy might jeopardize the Good Neighbor Policy; thus, the U.S. limited its pressure on Mexico (although it applied commercial sanctions for a period of time) (Zoraida Vázquez and Meyer 1982; Meyer 1968). Despite the tensions with the United States, the Mexican authorities referred to their reforms as the Mexican New Deal.

In Cuba, the revolutionary government led by Ramón Grau San Martín declared in 1933 that its aspiration was to follow Roosevelt's example and implement a New Deal in the island (although this did not help it obtain Washington recognition) (McGillivray 2015). In Chile – one of the Latin American countries more affected by the global depression of the 1930s - the conservative government of Arturo Alessandri sought to balance the national budget by any means. Thus, it taxed the benefits of the powerful copper companies, increased tariffs on foreign imports and stimulated industrial growth. Moreover, the government extended social protection, mainly to urban workers (Collier and Sater 2004). An eminent Chilean politician, Ernesto Barros Jarpa, summarized the new policies as “in effect a ‘New Deal’ for the Chilean people.”<sup>4</sup> The New Deal was also one of the main influences on the Popular Front government elected in 1938 under the leadership of Pedro Aguirre Cerda, who was inspired by FDR's policies in his program of economic development and social welfare (Kofas 1992).

It must be emphasized that Latin Americans did not assume FDR's new stance uncritically, nor were they unable to perceive the different interests between themselves and the United States. Conflict was not scarce between the United States and Latin America under the aegis of the Good Neighbor Policy. Yet, Latin American policy-makers took advantage of the U.S.' new stance by using the tropes of the New Deal in a two-pronged strategy. First, FDR's policies had become increasingly popular in the American republics. Therefore, Latin American governments sought to reinforce their legitimacy by stating their inspiration in the U.S. president. Second, Latin Americans resorted to the rhetorical figure of the New Deal as a way to permanently anchor Washington in the lines established by the Good Neighbor Policy. The aforementioned Barros Jarpa, at a meeting with U.S. businessmen and politicians, asked for a special consideration of Latin American debts due to the situation created by the economic downturn:

---

<sup>4</sup> Ernesto Barros Jarpa, 14 March 1935. Series 4: Meetings; 1920-1995; Council on Foreign Relations Records (CFR) Public Policy Papers, Department of Rare Books and Special Collections, Mudd Manuscript Library, Princeton University Library (MPL). Box 437. Volume VI July 1934-June 1935.

We are not asking the American investor to crystallize his losses on the present low basis at a time when world recovery is just beginning, but rather to accept a position as a partner with us based on our present capacity to pay and with the promise that he will share with us in the expansion of world trade which we all hope and believe will lead the way of this tragic era<sup>5</sup>.

The Chilean politician followed Washington's position in the sense that Latin American countries could not pay their debts unless they were able to export and obtain foreign currency – U.S. dollars. Most Latin American countries (save Argentina, Honduras, Nicaragua and Haiti) defaulted in the payment of their foreign loans in the early 1930s. Even though this did not mean that Latin Americans paid nothing at all of their debt during the decade, the default allowed Latin American governments to navigate the turbulent waters of the depression. This Latin American strategy was aided by U.S. domestic and foreign policies. The official position in Washington was that U.S. private investors had acted irresponsibly during the 1920s in their loans to Latin America. In fact, in 1932, a U.S. Senate committee accused American investors of using unethical methods in their relationship with Latin American borrowers (Jorgensen and Sach 1989). The New Deal's populist rhetoric against bankers at home had, thus, acquired an international dimension.

The positive reception of the New Deal and the Good Neighbor Policy in Latin America reflected the transition toward new ways of thinking about economic development in the region. From Mexico to Argentina, since the 1920s, and at a faster pace after the depression, a growing number of politicians, army officers, industrialists and professional economists came to believe that a degree of state intervention in the economy was necessary, that key resources such as oil or mines had to be under some sort of public control, and that the working of the international trade system was detrimental to the exporters of agricultural goods and raw materials. This in turn led to the region's financial vulnerability, as the global depression had proved. Therefore, agricultural exporters deserved a special treatment in international trade. Furthermore, industrialists, and later on policy-makers in the largest countries of the region, such as Argentina, Brazil, Mexico or Chile, were convinced that the way to economic success depended on the development of a domestic industrial sector. These ideas fitted well into Roosevelt's view of "giving Latin America a share" (Green 1971; Love 1994)<sup>6</sup>.

## Fifty percent new dealers

This interaction between New Deal and Good Neighbor Policy, and between the discourse at Washington and the strategy of Latin Americans, stirred controversy among certain sectors of

---

<sup>5</sup> Love 1994.

<sup>6</sup> The slow transformation of economic thinking in Latin America during the interwar period was far from being a coherent or homogeneous process. It was mainly a response to the economic difficulties of the age. In this article, there is no room to track the evolution of the economic thought in the region, nor to explore the different nuances. A useful introduction in Love (1994).



the United States' businessmen and economists. Some accused Roosevelt of being weak in his relationships with Latin America.

Mr. Roosevelt, we are now in grave danger of erring too far on the side of the spinelessness [...]. There is a feeling that if this 'new' policy means anything in Washington it means that we should avoid [...] anything which might give offense, and perhaps especially avoid the suggestion that the Latin American nations should keep the faith and live up to their obligations, while at the same time they may do anything that suits their convenience<sup>7</sup>.

These words were pronounced in a meeting of the Council on Foreign Relations. The Council was a private think-tank that aimed to influence American policy-makers on international affairs. It sought to educate American elites on international issues, and was committed to rejecting isolationism and encouraging the United States to play a leading role in the shaping of the international order. The members of the Council were American citizens coming from the upper echelons of the nation's academic and economic life. Most of the leaders were either lawyers (the majority working in Wall Street) or academics in elite institutions. Many of them had held political positions in the past, and had strong political ties in Washington. The Council meetings and the so-called group studies, in which specific topics or areas were submitted for consideration, were small gatherings in which businessmen with an international outlook, bankers, lawyers, journalists, scholars and politicians discussed American interests in global affairs. Some authors have considered the Council a highly influential body in U.S. international policies, although this is a contested issue (Parmar 2004; 2012; Schulzinger 1984). Whatever its actual influence, the Council meetings were an elitist representation of the different sectors which supported a more internationally engaged American policy. Therefore, criticism of Washington decisions and disagreements within the Council meetings provide revealing hints about the divergences among U.S. liberal internationalists.

Inderjeet Parmar has underlined that just as important as the actual influence of the Council on Washington was the state's capacity to influence the Council. Parmar shows that FDR's administration viewed the Council as an ideal mechanism to collect information and a way to educate important sectors of American society on the need to support internationalism. The state was even able to shape the Council's agenda during the Second World War. For Parmar, there were no disagreements between the Council members and the Department of State because "their conception of the world and of the United States' national interest were by and large identical" (Parmar 1995, 93). This interpretation is quite suggestive. In truth, many Council members – as did the FDR administration – advocated stronger international activism, and as far as hemispheric relationships were concerned, linked the deepening of trade relationships with Latin America

<sup>7</sup> Fred Lavis to Walter H. Mallory, 13 February 1935, Series 3: Studies, Problems of Reconstruction in South America. Second meeting: Exchange and Currency Problems, 14 February 1933. CFR, MLP, Box 130. Folder 3.

to economic recovery from the depression at home. However, many members of the Council considered that the Good Neighbor Policy might have gone too far in the field of international cooperation (Schulzinger 1984). At another Council meeting held in 1935, addressing U.S. relations with Latin America, Phanor J. Eder, a lawyer and banker well connected to Colombia, expressed what seemed to be the prevailing position: “I shall preface my remarks, as seems to be the custom this evening, by saying that I am only a 50% New Dealer” (Trends in Our Recent Relations with Latin America 1934-1935 [n.d.]). His concern was that as a result of Roosevelt’s weak attitude, “many Latin American countries are taking steps that are unfriendly to United States business interests<sup>8</sup>.” These complaints were a litany until the beginning of the World War. At another similar gathering in 1938 - at which Roosevelt’s administration was again attacked for being too lenient with Latin Americans - the connections between the Good Neighbor Policy and the domestic policy became obvious:

-Mr. Winston: Doesn’t the ‘good neighbor policy’ make intervention impossible and doesn’t that in turn set an unfortunate precedent?

-Mr. William S. Culbertson: Yes, but just as dangerous are the American policies here at home. When the United States Government raises an issue with the banks here in America, the Latin American countries think they can get in the good graces of the United States Government by also attacking the banks or the interests of the banks in South or Central America<sup>9</sup>.

Unease about the negative influence of the New Deal in Latin America among some sectors of the U.S. liberal elites went beyond preoccupation regarding the repayment of debts. Latin Americans were, according to this view, taking advantage of the idea of offering their societies a New Deal to attack U.S. interests in their countries: “The so-called ‘New Deal’ in Mexico with its drastic agrarian and labor reforms is having its effect on American investments and interests there.”<sup>10</sup>

Divisions also emerged within the Roosevelt administration itself. Whereas for secretary of agriculture, Henry Wallace, Mexico was a model to be emulated by other **backward countries**, as proof that a reformist government could feed its population and avoid both communism and fascism, for secretary of state Cordell Hull, Cárdenas’ policies were dangerous and radical (Cullather 2010).

Washington’s strategy to promote its new policy toward Latin America depended on a symbiotic relation with private actors. Whereas the Council on Foreign Relations should cooperate in the education of American elites on international commitments, other organizations, such as the Rockefeller Foundation (RF), should buttress FDR’s Latin American policies with the

<sup>8</sup> Trends in Our Recent Relations with Latin America 1934-1935, Subseries 3B: Records of Groups; 1918-1996; CFR, MLP, Box 130, Folder 3, 4-5.

<sup>9</sup> The Rights of Foreign Investor *vs.* National Sovereignty. Third Meeting: ‘Intervention and American Investments Abroad,’ 1 March 1939. Subseries 3B: Records of Groups; 1918-1996; CFR, MLP, Box 132, Folder 2, 9.

<sup>10</sup> Mallory to Francis White, 29 December 1937. Series 4: Meetings; 1918-2004, CFR, MPL, Box 438. Volume VIII July 1937-June 1938.



intensification of their philanthropic activities in the region. The philanthropic activities of the Rockefeller family began as a response to the social malaise caused by industrialization and urbanization at home, but very soon they acquired an international dimension. The RF aimed to strengthen America's role worldwide, to combat isolationism and to spread the spell of modern science as a solution to global problems. The trustees and the officers of the Foundation included businessmen, lawyers and educators, all of whom were characterized by their elitist or technocratic approach to politics and their interest in international affairs (Parmar 2012). The RF, like the Council on Foreign Relations, constituted an influential group of U.S. liberal internationalists. In fact, they were connected, since the RF was the main financial support for the Council during the period.

Since 1913, the Foundation carried out cooperation activities with Latin American governments, with a particular focus on public health issues. Yet, in the 1930s, the Foundation felt compelled to broaden its activities in Latin America, particularly by enlarging its social science program. This move was clearly encouraged by the geopolitical needs of the U.S. government. An internal Foundation memo of 1937 entitled **An RF program for Latin America** stated the reasons for a greater involvement in the region, the most important of which were related to the strategic needs of the authorities in Washington: the Good Neighbor Policy's success in gaining the trust of Latin Americans, President Roosevelt's explicit declarations on the need to guarantee the supply of Latin America's raw materials to the United States, and last but not least the threat of "economic and cultural penetration by fascist countries."<sup>11</sup> But it is revealing that the 1937 memo was the result of the disagreements within the RF about strictly following Washington directives. Certain more socially oriented RF officers, in particular Sydnor H. Walker, aimed to persuade her colleagues of the need to extend their activities to Latin America, taking into account the **conditions** in Asia and Europe<sup>12</sup>.

Starting in 1938, Washington increased its pressure. In particular, secretary of agriculture Wallace, in many letters and conversations with RF officers, demanded that the Foundation show greater commitment by expanding its social science programs in Latin America. Wallace believed these programs would help to make Latin American agriculture more productive and, hence, would guarantee a "variety of essential materials that we could not produce for ourselves." Moreover, the activity of the RF in Latin America should encourage trade between the United States and its neighbors and therefore put a barrier against the Nazi threat<sup>13</sup>.

But despite the pressures, which lasted well into the Second World War, the Foundation's officers were hesitant on their role in Latin American. The first problem was the risk of overreach:

<sup>11</sup> An RF program in Latin America, 30 Dec 1937, Folder 1097, Box 148, Series 300, R. G. 2, General Correspondence, FA 308, RFR, RAC.

<sup>12</sup> Sydnor H. Walker to Eyer Simpson, 11 Jan 1937, Folder 1097, Box 148, Series 300, R. G. 2, General Correspondence, FA 308, RFR, RAC; 'Interview: Sydnor H. Walker,' 14 Dec 1937, Box 264, Officer Irving A. Leonard, R. G. 12, F-L, Officers' diaries, FA 392, RFR, RAC.

<sup>13</sup> Stacy May, 9 November 1938, Folder 1180, Box 160, Series 1938/300, R. G. 2, General Correspondence, FA 308, RFR, RAC. See also: Carl O. Sauer, n.d., Folder 63, Box 10, Series 323, R. G. 1.2, projects, FA 387, RFR, RAC; John Collier, Office of Indian Affairs, Department of Interior, to Stacy May, 27 Oct 1938, 387, RFR, RAC; John Collier, Office of Indian Affairs, Department of Interior, to Stacy May, 27 Oct 1938, Folder 1180, Box 160, Series 1938/300, R. G. 2, General Correspondence, FA 308, RFR, RAC.

the Foundation could not intervene in every single field of activity and research<sup>14</sup>. Second, the new projects proposed in the field of social sciences in Latin America caused bureaucratic tugs-of-war with the Foundation's International Health Division. The Health Division had so far maintained a dominant position in the region, and saw the proposals for expansions in the field of social sciences as competition for the resources devoted to Latin America<sup>15</sup>. Third, and most important, the officers believed Latin America lacked well-prepared researchers in social sciences, which seriously jeopardized the new programs' chances of success<sup>16</sup>.

In 1941, the RF sent Frank Fetter, an orthodox economist from Princeton University, on a mission to study the feasibility of creating a program on economic research in Latin America. Fetter was extremely pessimistic about it: "South Americans have a failing for planning things on a grandiose scale, particularly if someone else is putting up the money. As I see it, it would be a waste of money to set up research institutes along American lines."<sup>17</sup>

This approach clashed with the view of some in the government, like Wallace – now the vice president of the United States - who wanted the Foundation to advance programs with a more profound impact:

R[aymond] B F[osdik] and JAF have talked with Wallace, who sees work primarily in fields of health, broader than that now under way, and in agriculture [...] Program of health by itself not connected with anything to raise the standard of living would result in depressing the standard of living—health by itself not enough—must be supported by agricultural economics<sup>18</sup>.

Wallace's position was a rebuttal of the RF's strategy towards Latin America, focused on public health issues and constrained by what the officers of the Foundation considered strictly scientific limits. Wallace was asking for a more holistic and ambitious approach to development in Latin America. Nevertheless, Wallace believed that his approach to rural development was scientifically sound and in fact saw the betterment of life in rural areas as the result of spreading modern science. Besides, in order to cajole the Foundation into cooperating in the scientific study of the Mexican rural world and agrarian productivity, Wallace carefully presented his idea as merely technical (Cullather 2010). For most RF officers, however, and for their university collaborators, in particular but not limited to economists, the Department of Agriculture was carrying out a

<sup>14</sup> Report on Latin American Interest in Social Sciences and Humanities, Agreement of SHW, SM, IAL, and DHS on statement of present divisional interests in work in Latin American countries, n.d. [1938?] Folder 120, Box 15, Series 300, R. G. 1.2, projects, FA 387, RFR, RAC.

<sup>15</sup> IHD and the Administration of SS Projects in South America, 25 Aug 1943, Folder 120, Box 15, Series 300, R. G. 1.2, projects, FA 387, RFR, RAC.

<sup>16</sup> Latin American Program in the Social Sciences and Humanities, based on discussion of DHS, SM, IAL, and SHW, 28 March 1938, Folder 120, Box 15, Series 300, R. G. 1.2, projects, FA 387, RFR, RAC; Raymond B. Fosdick to Douglas S. Freeman, 31 Oct 1938, Folder 1177, Box 160, Series 1938/300, R. G.

<sup>17</sup> A Memorandum on the Development of Economics in South America, by Frank Fetter, 7 Jan 1941, Box 8, Series 300, R. G. 1.1, projects, FA 386, RFR, RAC.

<sup>18</sup> Staff Conference, 18 Feb 1941, Folder 63, Box 10, Series 323, R. G. 1.2, projects, FA 387, RFR, RAC.

political, not scientific agenda. Thus, Carl Sauer, a geographer sent by the Foundation to Mexico, presented the Department of Agriculture as an agency akin to a ministry of a totalitarian regime:

Under Mr. Wallace's administration the USDA [United States Department of Agriculture] has developed an aggressive political philosophy of the good life to our Latin neighbors [...]. I like a fair share of their program, but I think it is necessary to be quite clear that the USDA is primarily a political organization today. Loyalty to the organization is a cardinal virtue; criticism of the best sort if likely to be considered as lack of cooperation<sup>19</sup>.

The rift between Wallace and the Foundation continued well into the war. One of Wallace's pet projects was the creation of an Inter-American Institute of Agricultural Science in Costa Rica under the supervision of the Pan American Union, and the vice president wanted the RF to cooperate with the enterprise by recruiting and funding students for the Institute. Yet, the Foundation rejected a project which it deemed scientifically unsound<sup>20</sup>. The RF's officers acknowledged that the "S[ocial] S[cience] policy of low priority for Latin America was being questioned by so many thoughtful persons" (Willits 1944). The Foundation articulated a defense against the criticism in which it reasserted its liberal internationalist commitments. First, the Foundation had to keep an eye on Europe, "because RF cannot 'sign off' in the attempt to restore the intellectual life of Europe after the war" (Willits 1944). Furthermore, other parts of the globe deserved attention, in particular Asia, "because Asia will, much more than in the past, be the center of gravity of population, markets, social changes, and of influence for peace or war" (Willits 1944). Hence, in the U.S.' path to global hegemony, the RF seemed to offer a truly global perspective, not based on political grounds:

The United States Government and many other agencies have been pouring attention on Latin America, and political considerations will probably mean a continuance of this policy though with a reduced emphasis. We in [the Division of Social Science] have assumed that the unpopular role was the right one for us<sup>21</sup>.

The RF, as many others within the internationalist American elites, embraced the New Deal half-heartedly, and shared business concerns about Roosevelt's new interventionism and the risky consequences of the new economic policies as were applied on or understood by **peripheral** governments. But also, some members of the RF feared that too much weight on Latin American affairs might divert important resources from other parts of the globe and maintained global aspirations.

<sup>19</sup> Carl Sauer to Willits, Tuxpan, Jalisco, 12 March 1941, Folder 63, Box 10, Series 323, R. G. 1.2, projects, FA 387, RFR, RAC.

<sup>20</sup> Wallace to Fosdick, Washington, 9 Oct 1944; Earl N. Bressman to Fosdick, Washington, 17 Oct 1944, Folder 1855, Box 270, Series 1944/300, R. G. 2, General Correspondence, FA 758, RFR, RAC.

<sup>21</sup> J. H. Willits, 'Latin America and SS,' 21 Feb 1944, Folder 120, Box 15, Series 300, R. G. 1.2, projects, FA 387, RFR, RAC.

## Between the region and the globe

RF officials' concern about the global impact of policies toward Latin America was also present among authorities in Washington. It is revealing that FDR's administration was, from an early date, projecting its hemispheric policies onto a more global framework. At a 1933 meeting of the Council on Foreign Relations with businessmen who had interests in Latin America, John Foster Dulles explained the limits of U.S. policy due to its absence from international organizations. First, Dulles reminded the businessmen that since the Latin American loans had not been endorsed by the U.S. government, investors should create their own organization in order to collect the debts. He referred to the example of the role played by the League of Nations (LON) in the negotiations between debtors and creditors in other parts of the world, but he recalled that the United States was not willing to ask for the support of the League's Financial Committee.

These ideas sparked controversy among the participants in the meeting regarding the role the League of Nations should have in international financial issues. But Dulles went beyond, and underlined the connections between the domestic and international dimensions: "It might be possible to supplement the national political groups by an international agency. I would like to see a strong American representative on the League's financial committee." By itself, this measure would not solve the problem of default because, as one of the participants in the meeting stated, in line with secretary of state Cordell Hull, U.S. protectionism prevented Latin Americans from exporting and therefore from obtaining the money they needed in order to pay their debts. Dulles agreed, but he added that "The tariff policy of the United States partly depends upon the price level of the debtor country. The suggested financial tutelage would thus certainly help the exports to this country."<sup>22</sup>

That is, a discussion about the payment of Latin American loans resulted in a debate on an international payments architecture which would enable global recovery, and in which the United States would play a fundamental (hegemonic) role.

Therefore, appropriations of and disputes over the meaning of the New Deal also took place in debates on the future of international cooperation and organizations, as well as at international *fora*. Since the early 1940s, when U.S. politicians clearly perceived that the end of the war should bring a thorough reorganization of the international order, Washington decided to support some sort of universal organization in order to replace the discredited League of Nations. However, the work carried out by what were known as the technical bodies of the League was highly appreciated in the United States by both FDR's New Dealers and non-governmental actors (Clavin 2013; Ekbladh 2015)<sup>23</sup>. Peace had to be built on a global scale, and that meant that regional *ententes*

<sup>22</sup> Problems of Reconstruction in South America, Henry Fletcher Chairman, Third Meeting: Bonded Indebtedness, 25 April 1933, CFR, MLP, Box 130, Folder 6, 11-7.

<sup>23</sup> On Roosevelt and the LON, see Mazower (2012, 196–7). See also Department of State, Confidential Release for Publication in Afternoon Newspapers of Wednesday 22 February 1939, 21 February 1939, Folder 163, Box 19, Series 100, R. G. 1.1, projects, FA 386, RFR, RAC.

should be relegated to a secondary role. Yet, at the same time, the United States was not willing to renounce its leadership of the Western Hemisphere.

This tension led U.S. policy-makers to search for complicated balances, which are at the root of some of the conflictive views on the Latin American interpretations of the New Deal. The Inter-American system had to be maintained, but the connections with the external world, which would be key in the creation of the new multilateral system, should be kept as well. The New Deal was becoming global. In this context, Washington enticed Latin Americans to get involved in the League of Nations (in particular in its technical bodies), an institution that many in the region considered an obvious failure or even a nuisance. In fact, in the 1930s and early 1940s, several Latin American nations abandoned the League and many in the region believed that a deepening of relations with the United States, either within the framework of the Inter-American system or based on bilateral negotiations, was preferable to the decadent League. In truth, the participation of Latin Americans in the League in the 1930s and the 1940s was signed by their own idiosyncratic understanding of the New Deal and allowed them to once again express their ideas about international development.

Recent historiography has emphasized that the impact of the LON's activities in Latin America seemed to have been blocked by U.S. hegemony in the region. The United States sought to keep its influence on Latin America undisputable and therefore frustrated Latin Americans' hopes that the League might serve to counterbalance U.S. influence in the region. Furthermore, the decline of the League in the 1930s led many Latin American governments to favor the alternative provided by the Pan-American system (McPherson 2015; Wehrli 2016; Dumont 2016; Weindling 2006; Fischer 2012). Yet, during FDR's administration, U.S. authorities explored the synergies of a triangular relationship between Geneva, Latin America and Washington. As Véronique Plata-Stenger has stated, regarding the case of the International Labor Organization (ILO), the international institutions of Geneva "could serve as an instrument in developing inter-American cooperation" (Plata-Stenger 2015; Sánchez Román 2015). Hence, the League became another scenario for the display of the Good Neighbor dialogue.

As already mentioned, the imminence of war in Europe led Washington to deepen its relationships with Latin America. Washington aimed to prevent the intrusion of foreign (that is, German) influence in the region and to guarantee the supply of Latin American raw materials in case of war. Fascist powers had resorted to the question of the unequal distribution of raw materials as a justification for their aggressive international policy. This led the League of Nations to organize several committees in charge of discussing the issue of raw materials. Americans (both from the United States and Latin American) participated in many of these meetings, moved by their concern about the situation in Europe, but also by hemispherical circumstances. In truth, the discussion about raw materials in the League allowed Latin Americans to pose a challenge to the international economic relations, which echoed some of their perceptions of what the Good Neighbor Policy implied.



At one of these LON meetings, the Brazilian representative, João Carlos Muniz, emphasized other problems beyond the international supply of raw materials. Agricultural nations were unable to pay their foreign obligations because the price of their exports had plummeted and industrial nations protected their farmers. Moreover, agricultural countries needed the **restoration of international financing** in order to fully participate in a recovered world economy. Therefore, concluded Muniz, “The problem of raw materials, at least insofar as it is looked upon from the economic point of view, cannot be separated from the general question of international relations in the broader sense.”<sup>24</sup> Thus, the Brazilian representative in the League of Nations followed on the discussion about debts and trade that had taken place in the Pan-American context.

Equally revealing were the words of the Mexican representative, Gonzalo Robles, in another meeting organized by the League in 1937. After referring to the moral influence of FDR’s policies, in a debate about raw materials, Robles insisted on the need to take the social dimension of economic issues into account, as Mexico itself had already done: “An effort was being made to improve its agricultural system, and at the same time, to improve the position of the peasant and working classes [...] social questions were an important factor.”<sup>25</sup>

Two years later, Alfonso García Robles, the Mexican representative at a conference organized by the International Institute of Intellectual Cooperation of the LON in Paris to address the connection between international economic relations and world peace, articulated one of the most elaborate views on development of the period. García Robles asserted that the different economic policies implemented by the national governments were the result of their “state of industrial development.” Less developed countries needed foreign support and investments in order to advance their industrialization process. However, political reasons led them to apply nationalist policies and restrict international trade:

If we seek to apportion responsibility for such a state of affairs we shall find it in my opinion not among the States concerned themselves but rather among certain very powerful international organisms which have grown accustomed to working in certain insufficiently developed small foreign countries in conditions which remind us of those found in colonies and protectorates<sup>26</sup>.

That is, the actions of “international bodies, trusts, which are often more powerful than governments” (Viner 1939) had to be restrained. García Robles’ statement implied that international

<sup>24</sup> Geneva Research Centre Memorandum. No. 1. International Studies Conference. Tenth Session. Paris, 28 June-3 July 1937. Jacob Viner Papers MC 138. 1909-1979 Series 3: Government Service, MLP, Box 40. Folder 4.

<sup>25</sup> League of Nations. International Institute of Intellectual Co-operation. International Studies Conference. Peaceful Change. Study on Raw Materials. Report on the studies of Raw Materials. Questions undertaken in preparation for the X Session of the International Studies Conference by the Secretary-Rapporteurs, Professor E. Dennery. January 1937. K 86, 1937. Jacob Viner Papers MC 138. 1909-1979 Series 3: Government Service, MLP, Box 40. Folder 3.

<sup>26</sup> International Studies Conference. Twelfth Session. Economic Policies in Relation to World Peace. A record of the study meetings held in Bergen from 26 to 29 August 1939. International Institute of Intellectual Co-operation. League of Nations, Paris. April, 1940. Folder 7. Jacob Viner Papers MC 138. 1909-1979 Series 3: Government Service, MLP, Box 41, 82-3.



trade was not akin to a fair international cooperation; that multinational companies acted from a monopolist position; and that on many occasions they resorted to diplomatic pressures to achieve their goals. “Little countries – especially those of Latin America” were thus forced to protect their sovereignty in an international market which was not a neutral playing field<sup>27</sup>.

At these conferences, Latin Americans underlined their desire to rebuild an international economic order organized on a cooperative basis. Yet, they insisted that this order had to take social issues and the structural inequalities of the traditional international system into account. Apparently, the Latin Americans’ suggestions were not far from those envisioned by FDR’s administration. In fact, in his address, García Robles referred to the cases of Mexican agrarian reform and the expropriation of oil as examples of nationalist policies carried out in Latin America. But his criticism of international pressure targeted the British Empire exclusively, which had never accepted Latin American economic sovereignty<sup>28</sup>.

Therefore, for Latin Americans, a fair and liberal international order should allow enough room for national governments to maneuver, in order to carry out necessary development projects, to control resources and to address social problems in their nations. Probably, most Latin American politicians who advocated this policy believed they were simply applying the same policies President Roosevelt was applying in the United States.

These suggestions did not persuade everybody. Canadian-born economist Jacob Viner was sent to these LON conferences as an expert representing the United States. In theory acting as an independent expert and expressing his opinions as personal, Viner was, nevertheless, appointed by the Roosevelt administration and trusted by authorities in Washington. Viner was not a radical *laissez-faire* economist, and he was sympathetic to the special plights of agricultural societies. Furthermore, in the 1920s, even before FDR’s presidency, Viner had recommended that the U.S. government should not interfere with the policies of Latin American governments aimed at curbing the excessive leverage of U.S. multinational companies<sup>29</sup>. Yet, during his participation in the LON conferences, Viner showed his impatience with the Latin American proposals and discarded them as too vague and extraneous to the issue of international trade<sup>30</sup>. For Viner, a healthy international order should be based on international free trade. Another American economist, Charles F. Remer, Director of the Geneva Research Centre, an international academic institution supported by the Carnegie Peace Endowment, emphasized the contradictions of Latin American nationalism, which sought to attract foreign investment and to “kill that form of investment” at the same time<sup>31</sup>. Thus, although Latin Americans and U.S. liberal internationalists seemed to agree on the need to restore an international cooperative economy, their disagreements on how to organize that cooperation were substantial.

<sup>27</sup> Viner 1939, 126-8.

<sup>28</sup> Viner 1938, 140.

<sup>29</sup> Am. Govt. Policy with Respect (illegible) Investments. (192?) Jacob Viner Papers MC 138. 1909-1979 Series 2: Correspondence. Series 3: Government Service, MLP, Box 39, Folder 1.

<sup>30</sup> International Studies Conference, 82-3.

<sup>31</sup> LON C 1645 Record Group 8 (Princeton Office) is the section of the Archive of the League of Nations in Geneva [n.d.], 144-45.

Another example of the connections between the U.S. policies, the League of Nations and the Latin American reforms were the discussions of the League's Fiscal Committee. In 1940, amid the war in Europe, the technical committees of the League, including the Fiscal Committee, moved to Princeton with the economic support of the RF and the consent of the U.S. Department of State. From Princeton, the technical committees increased their cooperation with the U.S. governments and therefore followed Washington's interests in extending its programs to Latin America (Ekbladh 2015; Levalle 2007; Clavin 2013).

Washington understood that the participation of Latin Americans in the activities of the League was important, and it therefore wooed or even pressured some governments of the region to participate in the Fiscal Committee activities. The United States' involvement in the Fiscal Committee's strategy for Latin America was so obvious that some League officers feared that Latin Americans could perceive the entire enterprise as exclusively American (Sánchez Román 2015)<sup>32</sup>.

However, the Fiscal Committee's growing attention to Latin America was also the result of the strategy of several Latin American republics. In the largest countries of the region, such as Mexico, Brazil, Argentina or Chile, the global depression in the 1930s and the growth of the manufacturing sector led governments to consider an overhaul of their tax systems, traditionally based on foreign trade duties. This, together with the expansion of urban centers and the middle classes, as well as the mobilizations of popular sectors, led to the introduction of more equitable tax schemes, sometimes based on income tax and other forms of direct taxation<sup>33</sup>. The League's expertise on tax matters seemed to offer Latin American politicians an indispensable know-how to carry out their reforms. Thus, the Mexican representative, acting "as the spokesman for other South American delegations," requested that the Fiscal Committee create a special program dealing with Latin American tax systems<sup>34</sup>.

It must be emphasized, however, that Latin Americans participated in the technical committees of the League as a result of their expectations of U.S. influence in the organization in the 1940s. Only the presence of American representatives could assure them that the achievements of the Good Neighbor Policy would endure. Since 1938, in the Inter-American conferences, U.S. delegates increasingly resorted to the language of multilateralism as a way to shore up their relationships with the Latin American republics. For their governments, multilateralism meant regional cooperation among equals, "that decisions regarding the hemisphere would be taken together, after consultation" (Woods 1985, x-xi). Washington did not share this view on multilateralism, but Latin Americans attended the League of Nations meetings hoping to reinforce the pattern of regional cooperation established in FDR's administration.

As a result of this convergence of interests between the League, the U.S. government and Latin American authorities, two fiscal conferences were held in Mexico City in 1940 and 1943. One of the

<sup>32</sup> Sean Lester to Loveday, March 7, 1941, LON C 1645 Record Group 8 (Princeton Office). Financial Section and Economic Intelligence Service. Fiscal Committee. Registered Files of Correspondence and Memoranda, 1940-1946.

<sup>33</sup> Report for the period 30 Aug 1938, to 1 Sep 1939, on work done under Rockefeller appropriations nos. RF.33023, RF.37116 and RF.33004, and under the arrangement regarding statistical study tours, Folder 152, Box 18, Series 100, R. G. 1.1., projects, FA 386, RFR, RAC.

<sup>34</sup> [Loveday?] to Carroll, Geneva, 10 Jan 1939, Folder 163, Box 19, Series 100, R. G. 1.1, projects, FA 386, RFR, RAC. See also Interviews: SM, Mr. Mitchell B. Carroll, United States Representative and President of the Fiscal Committee of the League of Nations, Paris, 10 Jan 1939, Folder 163, Box 19, Series 100, R. G. 1.1, projects, FA 386, RFR, RAC.

main figures behind them was Mitchell B. Carroll, who was a quintessential U.S. liberal internationalist. He had been the U.S. member of the Fiscal Committee of the League since its creation in 1928, and had strong links with the International and American Chamber of Commerce, one of the most internationally oriented business associations in the country. At the same time, Carroll had occupied public positions related to fiscal matters on several occasions. A charismatic figure, he had the trust of many Latin American experts in the field of taxation, and had also taken part in different Inter-American committees. In the 1930s, he played an active role in the attempts to sign tax agreements between the United States and the rest of the countries in the Western Hemisphere. Carroll struggled to amend U.S. tax laws in order to make them more amenable to Latin American interests.

The Revenue Act of 1941 stated that the U.S. government would attempt to sign tax agreements with other countries of the Americas with the declared goal to reduce income tax withheld at the source in the cases of double taxation. The United States had offered a reduction in its withholdings first to contiguous countries, and later to other Latin American states, as part of a policy to extend tax agreements. To some extent, this was Carroll's personal achievement. His interactions with Latin Americans were important as well. In 1941, at the first meeting of the Inter-American Bar Association, held in Havana, a former Cuban finance minister noticed the discrimination against foreigners in the United States regarding the taxation of dividends. Due to the withholding system, foreign non-residents were forced to pay heavier taxes than residents on this income. This might cause the retaliation of other American countries and therefore hamper hemispheric trade. According to Carroll's own narrative, this observation led U.S. Congress to change U.S. tax policy in this matter. Carroll's involvement with Latin American tax lawyers was constant during the decade and, in those meetings, he demonstrated his skill at leading the discussion, while allowing Latin American representatives to put forward their ideas.

Thus, in 1943 the Tax Committee of the Inter-American Bar Association presented some recommendations as a cooperative effort by Carroll and the Bolivian delegate, Manuel Carrasco. They proposed following the suggestions of the 1943 Mexican conference regarding the issue of double taxation. Carroll's goals were ambitious, and he did not hesitate to present lofty ideals behind these tax policies: "the amendment of the Internal Revenue Code bespeaks a policy of bringing about hemisphere economic solidarity through the adoption in treaties of principles of international tax law" (Carroll 1941, 794).

Yet, hemispheric solidarity had its limits. Carroll embodied some of the ambiguities with which American elites faced the Good Neighbor Policy. For Carroll, the establishment of more solid ties between the U.S. and Latin America, as reflected in the tax agreements, was part of a greater global process: "reflects the movement to develop international tax law which made ever-increasing headway during the two decades subsequent to the Peace of Versailles" (Carroll 1941, 793). Thus, for Carroll, the Fiscal Committee conferences in Mexico were aimed at solidifying relationships between the United States and Latin America, keeping an eye on the "growing confidence in a United Nations victory in Europe and Asia" (Carroll 1941, 793).

Latin Americans maintained a more regionally oriented view of the conferences. The Fiscal Committee's original aim was to continue the study and drafting of model agreements on double taxation

that had begun in Europe in the 1920s. However, the representatives of the larger Latin American nations, with the acquiescence of the United States, shifted the focus of the discussion, in particular in the meeting of 1943. The new model agreements elaborated in Mexico tilted in favor of capital-importing countries, unlike those which had been drafted in the Old World. Besides, international taxation issues were reframed in a discussion about development. At the 1943 conference, the largest republics imposed a Sub-Committee IV on general fiscal problems, which addressed broad economic and social issues:

Taxation [...] was to be geared as to improve the distribution of wealth, and at the same time, not inhibit individual initiative [...] tax problems of the day could not be dissociated from a consideration from long social and economic objectives<sup>35</sup>.

Latin Americans interpreted the 1943 Mexican conference as a success for their positions and recognized the support and understanding of their needs, provided by the “representatives and officers of capital-exporter countries,” that is, the United States (Goytia 1943).

Washington had a more ambitious agenda. The Fiscal Committee conferences in Latin America produced a development-oriented result that fit well into the American ideas on global reconstruction after the war. Since late 1942 and early 1943, when the options of final victory in the war seemed more clear, politicians, businessmen and experts embarked on a frantic activity, debating many proposals on the future economic order. In fact, the second Mexican conference on taxation was considered part of this postwar program<sup>36</sup>.

Latin Americans enjoyed a rather exceptional and ultimately brief opportunity to influence the shaping of the new international order that the United States was advocating. The 1943 Mexican fiscal conference provided an international framework that would allow Latin American governments to tax multinational companies’ profits and to use those resources to stimulate domestic development. Thus, through the Good Neighbor Policy and its reflection on the activities of the LON in Latin America, a new pattern of economic relations emerged, one which blended together free trade and domestic intervention, and that has been labeled embedded liberalism by political scientists (Ruggie 1985)<sup>37</sup>. Yet, in Latin America, this embedded liberalism vanished soon after the end of the war.

In 1944, Mitchell Carroll sent a report to the Fiscal Committee of the LON, in which he expressed his doubts about the continuation of the policies supported by the Mexican conference of 1943. After the war, Carroll stated that Europe would need a sufficient flow of raw materials in order to accomplish a successful economic recovery. Taxes should ease a fall in the prices of basic

<sup>35</sup> League of Nations. Fiscal Committee. Second Regional Conference in Mexico, 19-29 1943. Account of the Proceedings by the Secretary, LON C 1645 Record Group 8 (Princeton Office). Financial Section and Economic Intelligence Service. Fiscal Committee. Registered Files of Correspondence and Memoranda, 1940–1946.

<sup>36</sup> Mitchell Carroll, A Clipping on the First Conference of the Commission of Inter- American Development, 11 May 1944, LON C 1645 Record Group 8 (Princeton Office). Financial Section and Economic Intelligence Service. Fiscal Committee. Registered Files of Correspondence and Memoranda, 1940–1946.

<sup>37</sup> The Bretton Woods agreements seemed to encapsulate these ideas. Traditionally, this phenomenon has been analyzed as part of the Anglo-American entente that sought to restructure international economics, and even a recent—and important—contribution, Steil (2013), sticks to this interpretation. The influence of Latin Americans in the shaping of this embedded liberalism has been rescued by Helleiner (2014).

imports that Europeans would need.<sup>38</sup> The fiscal autonomy that the 1943 Conference allowed to Latin American governments was, therefore, seriously challenged.

## Conclusion... the world after the war

What would the world be like after the war? This was a crucial and complex issue. The answers to this question reflected the anxieties that the global New Deal caused U.S. liberal internationalists. The New Deal and the Good Neighbor Policy had provided both a useful semantic and a window of opportunity for Latin Americans to advance their agenda in their relationships with the United States and with the larger international community. Would this window close after the end of the war? Some U.S. liberals believed the end of the conflict would bring significant change and an assertion of American hegemony. Norman Ness, an economist and university professor, stated at a meeting of the Council on Foreign Relations, organized to address the problems of the future postwar period:

[...] there is a real possibility that, as after other wars, a strong American imperialism will develop, and that it will make itself felt above all in Latin America. It may be clothed in the benevolent language of a New Deal for the Americas, but it will be imperialism none the less (Economic Warfare and Our Latin American Policy 1942).

In fact, most of the participants in the meeting were quite pessimistic, and believed that:

the combination of the present United States policies of economic warfare, the plans for reconstructing Latin America, and the probable appearance of a new American imperialism, makes the prospects for survival of the State Department's Good Neighbor Policy appear rather dubious<sup>39</sup>.

In another similar venue, one of the participants expressed his conviction that:

Hemisphere solidarity is not the solution. The Latin Americans don't want it and we couldn't make it work. We must establish protection of 'legitimate' Latin American interests as well as our own in the formation of new institutions for economic collaboration. We must look forward to the larger problem of expanding world trade and maintaining full employment in our own country. Thus a wide market can be provided for Latin American products<sup>40</sup>.

<sup>38</sup> Carroll to Paul Deperon, NY, 15 June 1944. A general outline of problems of double taxation to be considered in connection with postwar reconstruction prepared for the Nation Association of Manufacturers, LON C. 1646. Record Group 8 (Princeton Office). Financial Section and Economic Intelligence Service. Fiscal Committee. Registered of Correspondence and Memoranda, 1940-1946.

<sup>39</sup> Economic Warfare and Our Latin American Policy, Norman Ness, discussion leader. 12 June 1942. Series 3: Studies Department, 1918-2004 CFR, MLP, Box 133, Folder 7.

<sup>40</sup> The United States and the United Nations in War and Peace. Fifth Meeting: The Role of Latin America in the Postwar World. Dana G. Munro, Arthur P. Whitaker and Percy W. Bidwell, 2 April 1943. Series 3: Studies Department, 1918-2004, CFR, MLP, Box 133.



The first rebuttal for Latin Americans came during the Inter-American Conference held at Chapultepec (Mexico) in February 1945 (even before the end of the war). The disagreement on the meaning of hemispheric cooperation became clear, when Latin Americans did not obtain the support they expected from the United States for development policies such as the encouragement of the region's industrialization, the strengthening of the state's planning role, the transfer of investments from the North, or the capacity for Latin American states to control foreign capital when needed, measures that had obtained the implicit support of the United States during the 1943 fiscal conference<sup>41</sup>.

The doubts put forth by some sectors of the U.S. liberal establishment about the possibilities of prolonging the Good Neighbor Policy after the war reflected the dissent within the internationalist coalition about what could be called development policies and international governance. Latin Americans had taken advantage of the New Deal rhetoric and the Good Neighbor Policy to suggest an inchoate new theory of development. Liberal internationalists worldwide believed economic security was the cornerstone for building a peaceful and stable world. The Atlantic Charter and Roosevelt's speech about freedom from wants both drew on these previous discussions and contributed to it. But liberal internationalists maintained substantial differences on their views on development. In 1938, International Labor Office's Lewis L. Lorwin wrote to James T. Shotwell, from the Carnegie Peace Endowment, with a proposal for the creation of a World Economic Development Organization. The goal would be to promote "economic development in different parts of the world with a view to raising the standards of living of the masses."<sup>42</sup> Particular attention had to be paid to what Lorwin called "to-be-developed countries."

Development was not only about "the old forms of international lending," and international trade by itself was not the guarantee of peace and stability. The new organization had to be sensitive to the "best economic and social interest of the people of both the developed and to-be-developed countries." (Lewis 1938) These seemingly vague words convey, nevertheless, the extent to which the imagined role of international organization had expanded since the 1930s, and the new way of looking at the development issue. These changes stirred perplexity among the RF's officers. In 1942, the officers' conference of the Foundation wondered: "Does the 'well-being of mankind throughout the world' take on a different form and definition than it did a decade ago when we conceived our objectives in terms primarily of the extension of knowledge?"<sup>43</sup>

Yet, those American liberal internationalists preoccupied with the excesses of what could be termed radical **developmentalist**, or social democratic, ideas gained the upper hand when the war came to an end<sup>44</sup>. During FDR's administration, American liberal internationalists diverged about the meaning and consequences of the New Deal in its international dimension. To a large extent, these divergences were a reaction to a challenge from the periphery. The challenge took form due to the

<sup>41</sup> On the Chapultepec Conference see Green (1971,201) and Kofas (1992).

<sup>42</sup> Lewis L. Lorwin to James T. Shotwell, Carnegie Peace Endowment, 1 Feb 1938, Folder 973, Box 108, Series 100, R. G. 1.1., projects, FA 386, RFR, RAC.

<sup>43</sup> Officers' Conference, 7 Oct 1942, Folder 1570, Box 226, Series 100/1942, R. G. 2, General Correspondence, FA 758, RFR, RAC.

<sup>44</sup> A similar argument to the one presented here, regarding the discussion of social security issues, can be found in Jensen (2011).



window of opportunity opened by FDR's Good Neighbor Policy and the Second World War. Those liberal internationalists who feared the more radical stances of the global New Deal tried to stifle a more socially oriented view of development, or ideas that sought to reduce spatial inequalities worldwide through means other than international trade. This divergence was at the root of the opposition to a more social-democratic project for the **non-developed** world after the end of the Second World War.

## References

- Abel, C., and M. Palacios. "Colombia, 1930-1958." In *Cambridge History of Latin America*, edited by L. Bethell, 585–628. Cambridge: Cambridge University Press, 1991. vol. 8. <https://doi.org/10.1017/CHOL9780521266529.011>
- Carroll, M. B. "Development of international tax law in the Americas." *Law and Contemporary Problems* 8, no. 4 (1941): 793–801.
- Clavin, P. *Securing the world economy: the reinvention of the League of Nations, 1920-1946*. Oxford: Oxford University Press, 2013.
- Cohrs, P. "'Pax Americana': the United States and the transformation of the 20<sup>th</sup> century global order." *Revista Brasileira de Política Internacional* (unpublished).
- Collier, S., and W. F. Sater. *A history of Chile, 1808-2002*. Cambridge: Cambridge University Press, 2004. <https://doi.org/10.1017/CBO9780511991189>.
- Crawley, A. *Somoza and Roosevelt: good neighbour diplomacy in Nicaragua, 1933-1945*. Oxford: Oxford University Press, 2007.
- Cullather, N. *The Hungry world: America's Cold War battle against poverty in Asia*. Cambridge, MA: Harvard University Press, 2010.
- Dumont, J. "A América Latina na Sociedade das Nações: reflexões a partir do caso argentino, brasileiro e chileno." *Revista Escrita da História* 3, no. 6 (2016): 138–65. <http://www.escritadahistoria.com/revista/index.php/escritadahistoria/article/view/143/75>.
- Ekbladh, D. "American Asylum: the United States and the campaign to transplant the technical league, 1939-1940." *Diplomatic History* 39, no. 4 (2015): 629–60.
- Fischer, T. *Die Souveränität der Schwachen: Lateinamerika und der Völkerbund, 1920-1936*. Stuttgart: Franz Steiner Verlag, 2012.
- Gellman, I. F. *Good neighbor diplomacy: United States policies in Latin America, 1933-1945*. Baltimore: Johns Hopkins University Press, 1979.
- Goytia, M. "La Conferencia Tributaria de México. Problemas sobre doble tributación." *Revista de Economía y Finanzas*. Santiago de Chile (Sep 1943), no page numbers.
- Grandin, G. *Empire's workshop: Latin America, the United States, and the rise of the new imperialism*. New York: Henry Holt Publisher, 2010.
- Green, D. *Containment of Latin America: a history of the myths and realities of the good neighbor policy*. Chicago: Quadrangle, 1971.

- Helleiner, E. “Central bankers as good neighbors: US money doctors in Latin America during the 1940’s.” *Financial History Review* 16, no. 1 (2009): 5–25. <https://doi.org/10.1017/S096856500900002X>.
- Helleiner, E. *Forgotten foundations of Bretton Woods: international development and the making of the postwar order*. Ithaca, N.Y.: Cornell University Press, 2014.
- Jensen, J. “From Geneva to the Americas: the International labor organization and Inter-American Social Security Standards, 1936-1948.” *International Labor and Working-Class History*, no. 80 (2011): 215–40.
- Jorgenssen, E., and J. Sach. “Default and renegotiation of foreign bonds in the interwar period.” In *The international debt crisis in historical perspective*, edited by B. Eichengreen, and P. H. Lindert, 48–85. Cambridge, MA: MIT Press, 1989.
- Katznelson, I. *Fear itself: the New Deal and the origins of our time*. New York: W. W. Norton & Company, 2013.
- Kimball, W. F. *Juggler: Franklin Roosevelt as wartime statesman*. Princeton: Princeton University Press, 1991.
- Kofas, J. V. *The struggle for legitimacy: Latin American labor and the United States, 1930-1960*. Tempe, AZ: Arizona State University, 1992.
- Levalle, K. C. “Exit, voice and loyalty in international organizations: US involvement in the League of Nations.” *Review of International Organizations* 2, no. 4 (2007): 371–93. <https://doi.org/10.1007/s11558-007-9015-0>.
- Lewis, C. “El Estado y el desarrollo económico.” In *Historia general de América Latina*, edited by M. Palacios. *América Latina desde 1930. Historia General de América Latina*, 253–292, vol. VIII. Paris: Unesco, 2008.
- Love, J. L. “Economic Ideas and Ideologies in Latin America since 1930. In *Cambridge History of Latin America*, edited by L. Bethell, 391–460. Cambridge: Cambridge University Press, 1994. vol. 6, part. I.
- Mazower, M. *Governing the world: the history of an idea*. London: Allen Lane, 2012.
- McGillivray, G. “Cuba: Depresión, Imperialismo y Revolución, 1920-1940.” In *La gran depresión en América Latina*, edited by P. Drinot, and A. Knight, 308–346. Mexico: Fondo de Cultura Económica, 2015.
- McPherson, A. “Anti-imperialism and the failure of the League of Nations.” In *Beyond geopolitics: new histories of Latin America at the League of Nations*, edited by A. McPherson, and Y. Wehrli, 21–32. Albuquerque: University of New Mexico Press, 2015.
- Meyer, L. *México y Estados Unidos en el conflicto petrolero (1917-1942)*. México: El Colegio de México, 1968.
- Parmar, I. “The issue of state power: the council on foreign relations as a case study.” *Journal of American Studies* 29, no. 1 (1995): 73–95. <https://doi.org/10.1017/S0021875800026177>.
- Parmar, I. *Think tanks and power in foreign policy*. Basingstoke: Palgrave, 2004.

- Parmar, I. *Foundations of the American Century: the Ford, Carnegie, & Rockefeller Foundations in the rise of American Power*. New York: Columbia University Press, 2012.
- Patel, K. K. *The New Deal: a global history*. Princeton: Princeton University Press, 2016.
- Pike, F. B. *FDR's good neighbor policy: sixty years of generally gentle chaos*. New York: Random House, 1995.
- Plata-Stenger, V. "To raise awareness of difficulties and to assert their opinion: the international labour office and the regionalization of international cooperation in the 1930." In *Beyond geopolitics: new histories of Latin America at the League of Nations*, edited by A. L. McPherson and Y. Wehrli, 97–113. Albuquerque: University of New Mexico Press, 2015.
- Ruggie, J. G. "International regimes, transaction, and changes: embedded liberalism in the postwar economic order." *International Organization* 36, no. 2 (1985), 379–405. <https://doi.org/10.1017/S0020818300018993>.
- Ruiz Jiménez, L. "Peronism and Anti-peronism in the Argentine Press: 'Braden or Peron' was also 'Peron is Roosevelt'." *Journal of Latin American Studies* 30, no. 3 (1998): 551–71.
- Sánchez Román, J. A. "El multilateralismo como intervencionismo: Estados Unidos y la Sociedad de Naciones en América Latina (1930-1946)." *Revista Complutense de Historia de América* 41, (2015): 47–69.
- Schulzinger, R. D. *The wise men of foreign affairs: the History of the Council on Foreign Relations*. New York: Columbia University Press, 1984.
- Sluga, G. *Internationalism in the Age of Nationalism*. Philadelphia: University of Pennsylvania Press, 2013.
- Steil, B. *The battle of Bretton Woods: John Maynard Keynes, Harry Dexter White, and the making of a new world order*. Princeton: Princeton University Press, 2013.
- Weindling, P. "The League of Nations Health Organization and the rise of Latin American participation, 1920-1940", *História, Ciências, Saúde- Manguinhos* 13, no. 3 (2006): 1–14. <http://dx.doi.org/10.1590/S0104-59702006000300002>.
- Wehrli, Y. "*Etats latino-américains, organismes multilatéraux et défense de la souveraineté. Entre Société des Nations et espace continental panaméricain (1919- 1939)*." PhD. diss., Université de Genève, 2016.
- Woods, B. *The dismantling of the good neighbor policy*. Austin: University of Texas Press, 1985.
- Zoraida Vázquez, J., and L. Meyer. *México frente a Estados Unidos: un ensayo histórico*. México: El Colegio de México, 1982.